

Singer Bangladesh Limited

Independent auditor's report and financial statements

As at and for the year ended 31 December 2020

Independent Auditor's Report

To the Shareholders of Singer Bangladesh Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Singer Bangladesh Limited and its subsidiary (the "Group") as well as the separate financial statements of Singer Bangladesh Limited (the "Company"), which comprise the consolidated and separate financial position as at 31 December 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue recognition Refer to Note 40 (A) (accounting policy) and Note 20 to these Financial Statements)</p> <p>The Group/Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Group/ Company expects to receive for those goods from customers. In determining the sales price, the Group/ Company considers the effect of rebates and discounts (variable consideration). During the year ended December 31, 2020 the Group/Company has recognised revenues of BDT 15,046 million and BDT 15,046 million respectively.</p> <p>The terms of sales agreements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'; 2. We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable rebates/discounts; 3. Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents;

Key Audit Matters	How our audit addressed the key audit matters
<p>arrangements, create complexities that requires judgement in determining sales revenues.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<ol style="list-style-type: none"> 4. We selected a sample of invoices on which rebated and discounts were given and obtained the rebates and discount schemes approved by the management. We noted the accounting of rebates and discounts by the Group/ Company for the selected sample. 5. Selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents including customers confirmation; and, 6. Assessed the relevant disclosures made within the financial statements.
<p>Provisioning for Inventory (Refer to Note 40 (E) (accounting policy) and Note 8 to these Financial Statements)</p>	
<p>The Group has recognised a total inventory provision of Taka 115 million (Company – Taka 115 million) in arriving at a total inventory value of Taka 4,432 million (Company – Taka 3,884 million).</p> <p>The Group has significant levels of inventories and significant management judgements are taken with regard to categorisation of inventories into obsolete and/or discontinued items which should therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of obsolete and/or discontinued inventories to arrive at valuation based on lower of cost and net realisable value.</p> <p>Given the level of significant management judgements and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. We obtained and read the Group/ Company policy for making provision for inventory. We assessed the calculation methodology, the basis for provision and the process with respect to inventory provision. 2. Tested the design, implementation and operating effectiveness of the key controls management has established, both for provision computations and to ensure the accuracy of the inventory provision. 3. Recalculated the provision for inventory for a sample of inventory items included within the overall provision working and compared such recomputed amount with provision computed by the Group/Company. 4. Tested for a sample of inventory items the lower of cost or net realisable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date and compared the result to the inventory valuation provided by the Group/ Company. 5. Assessed the relevant disclosures made within the financial statements.
<p>Assessment of the appropriateness of the allowance for doubtful debt (Refer to Note 40 H (accounting policy) and Note 9.3 to these Financial Statements)</p>	
<p>Trade receivables comprises 24% of total assets in the statement of financial position.</p> <p>The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the COVID 19 conditions currently all over the world as well Bangladesh, it continues to put pressure on customers' ability to repay their outstanding account balances.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. Evaluated the debtor's impairment methodology applied in the current year to the requirements of IFRS 9: Financial Instruments. 2. Analysed the methodology by comparing the prior year provision to the actual current year write downs.

Key Audit Matters	How our audit addressed the key audit matters
<p>Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts under ECL method considering its business model.</p> <p>Based on assessment, management has made necessary provision for bad and doubtful debts under ECL model to impair company's trade receivables.</p> <p>Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.</p>	<p>3. Assessed key ratios which include cash collections, days outstanding, and delinquencies.</p> <p>4. We considered changes in account strategy and assessed the impact on the allowance for doubtful debts.</p> <p>5. Assessed any changes in the economy and the impact on the collectability of trade receivables.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group / Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) the consolidated and the separate statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Group's and the Company's business.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015

Motaleb

Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021




Singer Bangladesh Limited
Statement of financial position

In BDT	Note	Consolidated		Company	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Property, plant and equipment	3	1,397,011,285	1,420,024,293	1,082,453,237	1,088,581,106
Intangible assets	4	24,437,964	29,765,141	23,878,992	29,664,990
Right-of-use (ROU) asset	5	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314
Investments	6	4,199,450	4,199,450	650,998,506	650,998,506
Deferred tax assets	13	51,312,925	-	81,110,569	43,667,319
Deposits and prepayments	7	29,524,645	36,228,957	23,092,798	23,160,298
Non-current assets		2,882,537,686	2,939,159,082	3,160,866,174	3,176,140,533
Inventories	8	4,432,654,522	4,398,389,858	3,884,336,529	3,779,883,956
Trade and other receivables	9	2,477,596,446	2,471,880,052	2,538,977,929	2,513,546,473
Advances, deposits and prepayments	7	192,539,729	212,030,470	150,436,499	156,219,658
Current tax assets	19	259,150,041	128,507,136	-	-
Cash and cash equivalents	10	179,916,718	181,712,093	178,148,480	180,580,885
Current assets		7,541,857,456	7,392,519,609	6,751,899,437	6,630,230,972
Total assets		10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Equity					
Share capital	11	997,028,380	997,028,380	997,028,380	997,028,380
Reserves	12	565,877,314	569,134,429	565,877,314	569,134,429
Retained earnings		1,646,368,441	1,625,912,265	1,893,022,627	1,851,331,233
Equity attributable to owners of the Company		3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Total equity		3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Liabilities					
Long term debt	18	14,214,569	25,682,777	-	-
Deferred tax liability	13	-	1,110,395	-	-
Lease liability (non-current portion)	5	870,216,011	896,938,482	821,749,098	821,361,558
Other liabilities	15	1,913,955,202	1,723,651,660	1,913,955,202	1,723,651,660
Non-current liabilities		2,798,385,782	2,647,383,314	2,735,704,300	2,545,013,218
Unclaimed dividend		37,021,212	27,334,617	37,021,212	27,334,617
Trade and other payables	16	2,215,027,864	2,359,566,621	1,904,755,423	1,854,856,834
Short-term borrowings - secured	17	2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938
Lease liability (current portion)	5	144,731,816	132,757,081	117,621,805	108,452,431
Current tax liabilities	19	-	-	50,215,806	106,358,425
Current portion of long term debt	18	11,468,208	11,468,208	-	-
Current liabilities		4,416,735,225	4,492,220,303	3,721,132,990	3,843,864,245
Total equity and liabilities		10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Net Asset Value (NAV) per share	36	32.19	32.02	34.66	34.28

The annexed notes are an integral part of these financial statements.


A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date.


Mohamed Haniffa Mohamed Fairouz
Managing Director


Masud Khan
Director


Kazi Ashiqur Rahman
Acting Company Secretary



Singer Bangladesh Limited
Statement of profit or loss and other comprehensive income

In BDT	Note	For the year ended 31 December			
		Consolidated		Company	
		2020	2019	2020	2019
Sales		14,958,779,900	15,370,867,488	14,958,779,900	15,370,867,488
Earned carrying charges		87,530,854	114,367,991	87,530,854	114,367,991
Turnover	20	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479
Cost of sales	21	(10,982,927,281)	(11,131,991,883)	(11,102,914,457)	(11,261,457,976)
Gross profit		4,063,383,473	4,353,243,596	3,943,396,297	4,223,777,503
Operating expenses	22	(2,636,867,866)	(2,556,920,102)	(2,524,636,917)	(2,520,519,873)
Other income	24	167,903,143	154,708,430	143,993,667	143,099,823
Operating profit		1,594,418,750	1,951,031,924	1,562,753,047	1,846,357,453
Finance income		90,034	307,831	90,034	307,831
Finance costs		(443,854,985)	(403,631,459)	(392,030,488)	(340,233,543)
Net finance costs	23	(443,764,951)	(403,323,628)	(391,940,454)	(339,925,712)
Profit before contribution to workers' profit participation fund		1,150,653,799	1,547,708,296	1,170,812,593	1,506,431,741
Contribution to workers' profit participation fund	25	(58,540,629)	(77,335,951)	(58,540,630)	(75,321,587)
Profit before taxation		1,092,113,170	1,470,372,345	1,112,271,963	1,431,110,154
Income tax expense	26	(309,724,855)	(438,572,792)	(308,648,431)	(396,536,039)
Profit after tax		782,388,315	1,031,799,553	803,623,532	1,034,574,115
Profit attributable to					
Equity holders of the Company		782,388,315	1,031,799,553	-	-
Non-controlling interest		-	-	-	-
		782,388,315	1,031,799,553	-	-
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit liability	14.1	1,915,862	(759,500)	1,915,862	(759,500)
Related tax	26.2	(478,966)	189,875	(478,966)	189,875
		1,436,897	(569,625)	1,436,897	(569,625)
Total comprehensive income for the year		783,825,212	1,031,229,928	805,060,429	1,034,004,490
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit after tax		782,388,315	1,031,799,553	-	-
Other comprehensive income		1,436,897	(569,625)	-	-
		783,825,212	1,031,229,928	-	-
Non-controlling interest					
Profit after tax		-	-	-	-
Other comprehensive income		-	-	-	-
		-	-	-	-
Total comprehensive income for the year		783,825,212	1,031,229,928	-	-
Earnings per share (EPS)	31	7.85	10.35	8.06	10.38

The annexed notes are an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015



Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date.



Mohamed Haniffa Mohamed Fairoz
Managing Director



Masud Khan
Director



Kazi Ashiqur Rahman
Acting Company Secretary



Singer Bangladesh Limited
Statement of changes in equity-consolidated

In BDT	Attributable to owners of the Company							Total equity
	Share capital	Revaluation reserve	Capital reserve	Non-distributable special reserve	Retained earnings	Total	Non-controlling interests	
	11	12.1	12.2	12.3	12.4			
	Note >							
Balance at 1 January 2020	997,028,380	550,340,462	18,190,942	370,178	232,847	1,625,912,264	3,192,075,073	-
Total comprehensive income	-	-	-	-	-	-	-	-
Profit	-	-	-	-	-	782,388,315	782,388,315	-
Other comprehensive income	-	-	-	-	-	1,436,897	1,436,897	-
Total comprehensive income for the year	-	-	-	-	-	783,825,212	783,825,212	-
Transaction with owners of the Company								
Contributions and distributions								
Dividends:								
Cash dividend - 2019	-	-	-	-	-	(767,711,855)	(767,711,855)	-
Total contributions and distributions	-	-	-	-	-	(767,711,855)	(767,711,855)	-
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	1,085,705	1,085,705	-
Transfer of depreciation on revaluation surplus	-	(3,257,115)	-	-	-	3,257,115	-	-
	-	(3,257,115)	-	-	-	4,342,820	1,085,705	-
Balance at 31 December 2020	997,028,380	547,083,347	18,190,942	370,178	232,847	1,646,368,441	3,209,274,135	-
Balance at 1 January 2019	766,944,910	554,281,723	18,190,942	370,178	232,847	971,039,498	2,311,060,098	66,518,445
Total comprehensive income								
Profit	-	-	-	-	-	1,031,799,553	1,031,799,553	-
Adjustment For IFRS 16	-	-	-	-	-	76,208,454	76,208,454	-
Acquisition of business	-	-	-	-	-	(228,493,016)	(228,493,016)	(66,518,445)
Other comprehensive income	-	-	-	-	-	(569,625)	(569,625)	-
Total comprehensive income for the year	-	-	-	-	-	878,945,366	878,945,366	(66,518,445)
Transaction with owners of the Company								
Contributions and distributions								
Dividends:								
Stock dividend - 2018	230,083,470	-	-	-	-	(230,083,470)	-	-
Total contributions and distributions	230,083,470	-	-	-	-	(230,083,470)	-	-
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	-	-	-	-	2,069,610	2,069,610	-
Transfer of depreciation on revaluation surplus	-	(3,941,261)	-	-	-	3,941,261	-	-
	-	(3,941,261)	-	-	-	6,010,871	2,069,610	-
Balance at 31 December 2019	997,028,380	550,340,462	18,190,942	370,178	232,847	1,625,912,265	3,192,075,074	-

The annexed notes are an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RISC Firm Registration No.: PF 1015

Motahed

Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DYC: 2101270950:AS925226

Dhaka, 25 January 2021

As per our report of same date.

Mohammed Hamiffa Mohamed Fairouz
Managing Director

Masud Khan
Director

Kazi Ashiqur Rahman
Acting Company Secretary



Singer Bangladesh Limited
Statement of changes in equity-company

For the year ended 31 December 2020						
In BDT	Share capital	Revaluation reserve	Capital reserve	Non-remittable special capital reserve	Non-distributable special reserve	Total equity
	11	12.1	12.2	12.3	12.4	
Balance at 1 January 2020	997,028,380	550,340,462	18,190,942	370,178	232,847	1,851,331,233
Total comprehensive income	-	-	-	-	-	803,623,532
Profit	-	-	-	-	-	803,623,532
Other comprehensive income	-	-	-	-	-	1,436,897
Total comprehensive income for the year	-	-	-	-	-	805,060,429
Transaction with owners of the Company						
Contributions and distributions						
Dividends:						
Cash dividend 2019	-	-	-	-	-	(767,711,855)
Total contributions and distributions	-	-	-	-	-	(767,711,855)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	(3,257,115)	-	-	-	1,085,705
Transfer of depreciation on revaluation surplus	-	(3,257,115)	-	-	-	3,257,115
Balance at 31 December 2020	997,028,380	547,083,347	18,190,942	370,178	232,847	1,893,022,627
Balance at 1 January 2019	766,944,910	554,281,723	18,190,942	370,178	232,847	977,927,706
Total comprehensive income	-	-	-	-	-	1,034,574,115
Profit	-	-	-	-	-	1,034,574,115
Adjustment For IFRS 16	-	-	-	-	-	63,471,636
Other comprehensive income	-	-	-	-	-	(569,625)
Total comprehensive income for the year	-	-	-	-	-	1,097,476,126
Transaction with owners of the Company						
Contributions and distributions						
Dividends:						
Stock dividend - 2018	230,083,470	-	-	-	-	(230,083,470)
Total contributions and distributions	230,083,470	-	-	-	-	(230,083,470)
Adjustment for deferred tax arising from revaluation of property, plant and equipment	-	(3,941,261)	-	-	-	2,069,610
Transfer of depreciation on revaluation surplus	-	(3,941,261)	-	-	-	3,941,261
Balance at 31 December 2019	997,028,380	550,340,462	18,190,942	370,178	232,847	1,851,331,233

The annexed notes are an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015


Motaleb

Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950/AS925226

Dhaka, 25 January 2021

As per our report of same date.


Mohamed Haniffa Mohamed Fairoz
Managing Director


Masud Khan
Director


Kazi Ashique Rahman
Acting Company Secretary



Singer Bangladesh Limited
Statement of cash flows

In BDT	Note	For the year ended 31 December			
		Consolidated		Company	
		2020	2019	2020	2019
Cash flows from operating activities					
Collections from turnover and other income		16,994,719,706	17,882,904,003	17,482,925,756	17,871,295,396
Payments for costs and expenses		(14,998,675,441)	(15,547,756,316)	(15,515,361,740)	(16,128,102,729)
Interest paid on borrowings/lease		(521,721,873)	(474,774,584)	(469,502,976)	(420,277,522)
Payments to workers' profit participation fund		(77,335,877)	(65,702,515)	(75,321,513)	(64,583,617)
Income tax paid	19.1	(491,705,375)	(439,657,735)	(401,148,596)	(345,710,200)
Net cash from/(used in) operating activities	37	905,281,141	1,355,012,853	1,021,590,931	912,621,329
Cash flows from investing activities					
Acquisition of property, plant and equipment		(106,807,454)	(128,903,688)	(82,300,802)	(118,738,597)
Investment in subsidiary		-	(228,493,016)	-	(228,493,016)
Encash in short term/term deposits		-	-	-	-
Dividend received from CDBL	24	856,772	1,427,953	856,772	1,427,953
Proceeds from sale of property, plant and equipment	Annex-1	6,911,590	3,054,945	6,911,590	3,054,945
Net cash from/(used in) investing activities		(99,039,092)	(352,913,806)	(74,532,440)	(342,748,715)
Cash flows from financing activities					
Term loan received/repayment		(11,468,208)	(8,721,840)	-	-
Lease liability (principal repayment)		(239,422,053)	(232,321,717)	(209,608,190)	(204,856,045)
Dividends paid		(604,539,512)	(6,305,777)	(604,539,512)	(6,305,777)
Net cash from/(used in) financing activities		(855,429,773)	(247,349,334)	(814,147,702)	(211,161,822)
Net increase/(decrease) in cash		(49,187,724)	754,749,713	132,910,789	358,710,792
Cash and cash equivalents at 1 January	10	(1,779,381,683)	(2,534,131,396)	(1,566,281,053)	(1,924,991,845)
Cash and cash equivalents at 31 December		(1,828,569,407)	(1,779,381,683)	(1,433,370,264)	(1,566,281,053)
Closing cash and cash equivalents have been arrived at as follows:					
Cash and cash equivalents	10	179,916,718	181,712,093	178,148,480	180,580,885
Short-term borrowings - secured (bank overdrafts)	17	(2,008,486,125)	(1,961,093,776)	(1,611,518,744)	(1,746,861,938)
		(1,828,569,407)	(1,779,381,683)	(1,433,370,264)	(1,566,281,053)
Net operating cash flow per share (NOCFPS)	37.1	9.08	13.59	10.25	9.15

The annexed notes are an integral part of these financial statements.


Mohamed Haniffa Mohamed Fairuz
Managing Director

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration No.: PF 1015




Mohammad Motaleb Hossain, FCA
Partner
Enrolment Number: 0950
DVC: 2101270950AS925226

Dhaka, 25 January 2021

As per our report of same date.


Masud Khan
Director


Kazi Ashiqur Rahman
Acting Company Secretary



Singer Bangladesh Limited
Notes to the financial statements
As at & for the year ended 31 December 2020

1 Reporting entity

1.1 Company profile

Singer Bangladesh Limited (the Company) was incorporated in Bangladesh as a private limited Company on 4 September 1979 under the Companies Act 1913. It was converted into a public limited Company in 1983 when it offered its shares to the public with the requisite permission from the Government. It has been a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) since 2003. The shares of the Company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office of the Company is 39 Dilkusha Commercial Area, Dhaka 1000, Bangladesh.

1.2 Nature of business

Principal activities of the Company throughout the year were manufacturing of panel televisions and air conditioners and marketing of refrigerators, televisions, air conditioners, furniture, sewing machines, computers, washing machines and other consumer electronics and household appliances. The manufacturing plant of the Company is situated at Rajfulbaria, Jhamur, Savar, Dhaka 1340.

1.3 Description of subsidiary

International Appliances Limited (IAL)

International Appliances Limited (the Company) was incorporated in Bangladesh as a private limited company on 23 December 2014 under the Companies Act 1994. It has been an associate of Singer Bangladesh Limited since inception. Singer Bangladesh Limited acquired it as subsidiary on 16 October 2017. On 27 February 2019 it became fully owned subsidiary of Singer Bangladesh Limited. The address of the registered office of the Company is Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh. Principal activities of the Company is manufacturing and selling of refrigerators of different capacities, models and types with the brand of "Singer" for exclusive marketing by Singer Bangladesh Limited. The manufacturing plant of the Company is situated at Mousa Koulashur, Hemayetpur, Savar, Dhaka, Bangladesh.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

Date of authorisation

The management has authorised these financial statements on 25 January 2021.

Details of the Company's accounting policies are included in note 40.

2.2.A Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, these financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions (specifically COVID 19) which may cast significant doubt upon the Company's ability to continue as a going concern.



2.2.B Impact of COVID-19

In view of the current Pandemic of COVID-19 the management of the Company makes critical estimates and judgments of matters including but not limited to business plan and forecast to support going concern assumption, revenue recognition (IFRS 15), inventory valuation (IAS 2), impairment assessment (IAS 36), onerous contract (IAS 37), debt servicing and compliance with covenants (IFRS 7) etc. In addition, management is aware that any modifications in contract may result changes in terms of financial assets and liabilities (IFRS 9), leases (IFRS 16), compensation arrangements with employees (IAS 19) etc.

Owing of COVID-19 impact, preparation of reliable forecast information is challenging as this can have pervasive impact across multiple elements of financial statements. Entity uses forecast information for multiple purposes such as, the impairment of non financial assets, expected credit losses (ECL), fair value of assets and liabilities, change in net realizable value of inventory, the recoverability of deferred tax assets and the entity's ability to continue as a going concern.

The coronavirus (COVID-19) outbreak has greatly impacted on the macroeconomic performance of the country as well as it has impacted the Company's operations and its financial position too. It has been observed that, there were, effectively, no sales during April and much less sales during May and June than that was projected by management of the Company due to the country-wide general holidays (as declared by the government of Bangladesh) which has started from 26 March 2020, extended up to 30 June 2020 (after 30 May it was location based in different major cities and localities).

Though government did not extended general holiday / lockdown after 30 May 2020 but attempting to introduce cluster-based lockdown based on zoning systems (Red, Yellow and Green). Moreover, the flood has also affected the country's economy during the year greatly along with the pandemic effect. However, slowly businesses are getting its normal pace and improving month by month with the gradual restart of country's economic activities.

Management of the Company strongly believes that, there is no need to re-evaluate/re-measure of for the impairment of non financial assets, fair value of assets and liabilities, any potential decrease in net realizable value of inventory, any adverse impact on employee benefits and employer obligations and the entity's ability to continue as a going concern except for some impact of incremental expected credit losses. For this impact of incremental expected credit losses (ECL) management has started continuous evaluation for measurement and recognise any excess losses in a monthly basis from April 2020. However, there are improvements in the context of overdue receivable collections which is supporting the consideration of the reduction of any unusual incremental impact from the ECL point of view. Assessment for ECL is described in Note-32.1.1.2 (for Group) & in Note-32.2.1.2 (for the Company).

2.3 Functional and presentational currency

These consolidated financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.), which is both functional and presentational currency of the Company.

2.4 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

Note 3	Depreciation on property, plant and equipment
Note 8	Inventories
Note 9.3	Provision for doubtful debts
Note 13	Deferred tax assets
Note 16	Trade and other payables
Note 26	Income tax expense

Singer Bangladesh Limited
Notes to the financial statements
As at & for the year ended 31 December 2020

2.5 Operating segments

IFRS 8 defines an operating segment as a component of an entity that engages in revenue earning business activities, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available. In view of the standard, the company has two identified segments namely i. Appliances and ii. Furniture. The furniture segment of the Company does not qualify to be a reportable segment as per the quantitative thresholds of IFRS 8. Therefore, the entity-wide disclosures required by the standard for the only reportable segment i.e. appliances segment are disclosed.

i. Information about products and segments:

Appliances segment includes home appliances, consumer electronics, sewing machines and other appliances. Revenue from external customers from this segment are reported below:

<i>In BDT</i>	2020	2019
Home appliances	10,137,004,561	11,049,796,056
Consumer electronics	2,590,741,854	2,554,800,768
Sewing machines	776,860,315	792,425,321
Other appliances	1,537,690,687	919,011,603
Appliances segment total	15,042,297,417	15,316,033,747

ii. Information about geographical areas:

No revenue from foreign countries is earned by the Company. All the revenue from external customers is generated within the geographical area of Bangladesh.

iii. Information about major customers:

The Company has no customer from whom 10 percent or more of total revenue is earned.

2.6 Current versus non-current classification

The company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realized or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realized within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.



Singer Bangladesh Limited
Notes to the financial statements (continued)

3 Property, plant and equipment
3.1 Property, plant and equipment-consolidated

See accounting policy in Note 40 (F)

In BDT	Land		Building		Leasold improvements		Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.3)	Total
	Office	Factory	Office	Shops	Shops							
Cost												
Balance at 1 January 2020	87,714,677	231,046,412	24,275,381	543,100,848	485,947,654	125,643,814	29,582,866	243,467,462	3,385,453	2,335,344,567		
Additions	-	-	4,726,106	46,776,971	17,113,540	11,791,178	3,405,271	25,375,579	324,260	109,512,905		
Revaluation	-	-	-	(8,849,106)	(25,607,441)	(3,450,000)	-	(9,640,698)	(3,385,453)	(51,161,148)		
Disposals/transfers	-	-	-	581,028,713	477,453,753	133,984,992	32,759,687	259,202,343	324,260	2,393,696,324		
Balance at 31 December 2020	87,714,677	231,046,412	29,001,487	581,028,713	477,453,753	133,984,992	32,759,687	259,202,343	324,260	2,393,696,324		
Balance at 1 January 2019	87,542,614	231,046,412	20,848,289	488,472,511	485,633,814	114,918,517	21,130,349	216,367,909	4,482,825	2,231,623,240		
Additions	172,063	-	4,546,897	62,213,211	797,601	15,598,032	8,493,142	36,865,034	3,385,453	132,071,433		
Revaluation	-	-	-	-	-	-	-	-	-	-		
Disposals/transfers	-	-	(1,119,805)	(7,584,874)	(483,761)	(4,872,735)	(40,625)	(9,765,481)	(4,482,825)	(28,350,107)		
Balance at 31 December 2019	87,714,677	231,046,412	24,275,381	543,100,848	485,947,654	125,643,814	29,582,866	243,467,462	3,385,453	2,335,344,566		
Accumulated depreciation												
Balance at 1 January 2020	52,926,306	197,090,069	15,718,812	251,196,844	164,453,492	79,853,895	12,810,389	141,270,466	-	915,320,273		
Depreciation for the year	3,478,837	5,157,460	3,204,382	30,212,617	40,172,086	11,072,285	1,909,723	21,079,273	-	116,286,663		
Adjustment for disposals/transfers	-	-	-	(4,575,407)	(18,675,325)	(3,153,647)	(123,613)	(8,393,905)	-	(34,921,897)		
Balance at 31 December 2020	56,405,143	202,247,529	18,923,194	276,834,054	185,950,253	87,772,533	14,596,499	153,955,834	-	996,685,039		
Balance at 1 January 2019	49,065,711	190,643,244	13,310,041	226,444,491	125,479,131	74,708,272	11,708,564	129,052,203	-	820,411,657		
Depreciation for the year	3,860,595	6,446,825	2,408,771	29,573,424	39,452,416	9,322,557	1,141,500	20,468,692	-	112,674,780		
Adjustment for disposals/transfers	-	-	-	(4,821,071)	(478,055)	(4,176,934)	(39,675)	(8,250,429)	-	(17,766,164)		
Balance at 31 December 2019	52,926,306	197,090,069	15,718,812	251,196,844	164,453,492	79,853,895	12,810,389	141,270,466	-	915,320,273		
Carrying amounts												
At 31 December 2020	31,309,534	28,798,883	10,078,293	304,194,659	291,503,500	46,212,459	18,163,188	105,246,509	324,260	1,397,011,285		
At 31 December 2019	34,788,371	33,956,343	8,556,569	291,904,004	321,494,162	45,789,919	16,772,477	102,196,996	3,385,453	1,420,024,293		
At 1 January 2019	38,476,903	40,403,168	7,538,248	262,028,020	360,154,683	40,210,245	9,421,785	87,315,706	4,482,825	1,411,211,583		



Singer Bangladesh Limited
Notes to the financial statements (continued)

3.2 Property, plant and equipment-company

See accounting policy in Note 40 (F)

In BDT	Land		Building		Leasehold improvements		Plant and machinery	Vehicles	Furniture and fixtures	Equipment and tools	CWIP (Note 3.3)	Total
	Office	Factory	Office	Shops	Office	Shops						
Cost												
Balance at 1 January 2020	561,180,000	87,714,677	221,377,967	22,646,717	542,612,911	67,228,012	116,517,320	24,843,067	228,506,986	1,051,441	1,873,679,097	
Additions	-	-	-	61,300	46,776,971	-	11,791,178	1,842,065	22,376,469	324,260	83,172,243	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	-	(8,849,106)	(25,581,421)	(3,450,000)	(228,450)	(9,556,028)	(1,051,441)	(48,716,446)	
Balance at 31 December 2020	561,180,000	87,714,677	221,377,967	22,708,017	580,540,776	41,646,591	124,858,498	26,456,682	241,327,427	324,260	1,908,134,894	
Balance at 1 January 2019	561,180,000	87,542,614	221,377,967	19,219,625	488,472,511	66,914,172	112,054,881	16,766,455	202,111,809	4,482,824	1,780,122,858	
Additions	-	172,063	-	4,546,897	61,725,274	797,601	9,335,174	8,117,237	35,918,641	1,051,441	121,664,328	
Revaluation	-	-	-	-	-	-	-	-	-	-	-	
Disposals/transfers	-	-	-	(1,119,805)	(7,584,874)	(483,761)	(4,872,735)	(40,625)	(9,523,464)	(4,482,824)	(28,108,089)	
Balance at 31 December 2019	561,180,000	87,714,677	221,377,967	22,646,717	542,612,911	67,228,012	116,517,320	24,843,067	228,506,986	1,051,441	1,873,679,097	
Accumulated depreciation												
Balance at 1 January 2020	-	52,926,307	195,590,684	12,966,659	250,377,625	45,587,446	78,383,817	11,547,398	137,718,055	-	785,097,991	
Depreciation for the year	-	3,478,837	5,157,460	1,452,666	30,212,617	4,328,112	9,768,497	1,411,551	19,629,648	-	75,439,388	
Adjustment for disposal/transfers	-	-	-	-	(4,575,407)	(18,667,193)	(3,153,647)	(123,613)	(8,335,862)	-	(34,855,722)	
Balance at 31 December 2020	-	56,405,144	200,748,144	14,419,325	276,014,835	31,248,365	84,998,667	12,835,336	149,011,841	-	825,681,657	
Balance at 1 January 2019	-	49,065,711	189,143,859	11,993,667	226,444,491	40,687,168	74,094,636	10,888,661	126,771,671	-	729,089,864	
Depreciation for the year	-	3,860,596	6,446,825	972,992	28,754,205	5,378,333	8,466,115	698,412	19,114,766	-	73,692,244	
Adjustment for disposal/transfers	-	-	-	-	(4,821,071)	(478,055)	(4,176,934)	(39,675)	(8,168,382)	-	(17,684,117)	
Balance at 31 December 2019	-	52,926,307	195,590,684	12,966,659	250,377,625	45,587,446	78,383,817	11,547,398	137,718,055	-	785,097,991	
Carrying amounts												
At 31 December 2020	561,180,000	31,309,533	20,629,823	8,288,692	304,525,941	10,398,226	39,859,831	13,621,346	92,315,586	324,260	1,082,453,237	
At 31 December 2019	561,180,000	34,788,370	25,787,283	9,680,058	292,235,286	21,640,566	38,133,503	13,295,669	90,788,931	1,051,441	1,088,581,106	
At 1 January 2019	561,180,000	38,476,903	32,234,108	7,225,958	262,028,020	26,227,004	37,960,245	5,877,794	75,340,138	4,482,824	1,051,032,994	

Singer Bangladesh Limited
Notes to the financial statements (continued)

3.3 Capital work in progress (CWIP)

	Consolidated				Company			
	In BDT	Leasehold improvements	Machinery	Building	Total	Leasehold improvements	Building	Total
Cost								
Balance at 1 January 2020		1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441
Additions		324,260	-	-	324,260	324,260	-	324,260
Disposals/transfers		(1,051,441)	(2,334,012)	-	(3,385,453)	(1,051,441)	-	(1,051,441)
Balance at 31 December 2020		324,260	-	-	324,260	324,260	-	324,260
In BDT		Leasehold improvements	Machinery	Building	Total	Leasehold improvements	Building	Total
Cost								
Balance at 1 January 2019		4,482,825	-	-	4,482,825	4,482,825	-	4,482,825
Additions		1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441
Disposals/transfers		(4,482,825)	-	-	(4,482,825)	(4,482,825)	-	(4,482,825)
Balance at 31 December 2019		1,051,441	2,334,012	-	3,385,453	1,051,441	-	1,051,441

3.4 Allocation of depreciation

	In BDT	Note	Consolidated		Company	
			2020	2019	2020	2019
Cost of sales		21	52,994,965	53,568,070	12,168,040	14,608,977
Operating expenses		22	63,291,700	59,106,709	63,271,347	59,083,263
			116,286,665	112,674,779	75,439,387	73,692,240

Singer Bangladesh Limited

Notes to the financial statements (continued)

4 Intangible assets

<i>In BDT</i>	Consolidated		Company	
	Software		Software	
	2020	2019	2020	2019
Cost				
Balance at 1 January	75,882,581	74,325,531	75,762,406	74,205,356
Additions	680,000	1,557,050	180,000	1,557,050
Disposals/transfers	-	-	-	-
Balance at 31 December	76,562,581	75,882,581	75,942,406	75,762,406
Accumulated amortisation				
Balance at 1 January	46,117,440	38,852,546	46,097,416	38,844,534
Amortisation for the year	6,007,177	7,264,894	5,965,998	7,252,882
Adjustment for disposal/transfers	-	-	-	-
Balance at 31 December	52,124,617	46,117,440	52,063,414	46,097,416

Carrying amounts

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Balance at 31 December	24,437,964	29,765,141	23,878,992	29,664,990



Singer Bangladesh Limited

Notes to the financial statements (continued)

5 Leases

See accounting policy in Note 40 (W)

The Group leases retail stores / showrooms, warehouses, service centers, factories and other offices facilities as operating leases.

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Right-of-use assets	5.1	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314
Lease liabilities	5.2	1,014,947,827	1,029,695,563	939,370,903	929,813,989

Information about leases for which the Group is a lessee is presented below.

5.1 Right-of-use assets

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Cost				
Balance at 1 January	1,692,171,948	1,263,877,923	1,552,623,417	1,133,197,215
Additions	216,558,304	428,294,025	216,558,304	419,426,202
Disposals/adjustments	55,846,715	-	55,846,715	-
Balance at 31 December	1,852,883,537	1,692,171,948	1,713,335,006	1,552,623,417
Accumulated amortisation				
Balance at 1 January	243,230,707	-	212,555,103	-
Amortisation for the year	270,885,838	243,230,707	238,732,256	212,555,103
Disposals/adjustments	37,284,424	-	37,284,424	-
Balance at 31 December	476,832,120	243,230,707	414,002,934	212,555,103
Carrying amounts				
At 31 December	1,376,051,417	1,448,941,241	1,299,332,072	1,340,068,314

5.2 Lease liabilities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Current	144,731,816	132,757,081	117,621,805	108,452,431
Non-current	870,216,011	896,938,482	821,749,098	821,361,558
Lease liabilities included in the statement of financial position at 31 December	1,014,947,827	1,029,695,563	939,370,903	929,813,989

Amounts recognised in profit or loss

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Interest on lease liabilities	104,556,743	88,741,942	95,662,522	77,851,810

Amounts recognised in the statement of cash flows

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Total cash outflow for leases	343,978,796	310,173,527	305,270,712	282,707,855

The Group enters into lease contracts for its retail stores / showrooms, warehouses, service centers, factories and other offices facilities. These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.



Singer Bangladesh Limited
Notes to the financial statements (continued)

6 Investments

See accounting policy in Note 40 (M)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Investment in subsidiary	6.1	-	-	646,799,056	646,799,056
Investment in term deposit		2,630,000	2,630,000	2,630,000	2,630,000
Investment in Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450	1,569,450	1,569,450
		4,199,450	4,199,450	650,998,506	650,998,506

6.1 Investment in subsidiary

The Company acquired International Appliances Limited (IAL) as subsidiary on 16 October 2017. Further it has purchased 16.1680% share of IAL from Shanghai Sonlu Shangling Enterprise Group Co. Ltd. (9.9978%) on 17 February 2019 and from Sunman Corporation Limited (6.1702%) on 26 February 2019. Associated call option of Sunman Corporation Limited has been cancelled. As a result IAL is now fully owned subsidiary of the Company.

The detail of investment in IAL:

<i>In BDT</i>	Amount
Investment up to 2018	351,787,595
Investment in 2019	295,011,461
Total	646,799,056

7 Advances, deposits and prepayments

See accounting policy in Note 40 (H)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Advances to others	7.1	11,865,623	24,504,492	-	9,299,540
Advances		11,865,623	24,504,492	-	9,299,540
Security deposits		29,524,644	29,432,145	23,092,797	23,160,298
Deposits		29,524,644	29,432,145	23,092,797	23,160,298
Prepayments		180,674,107	194,322,790	150,436,500	146,920,118
Prepayments		180,674,107	194,322,790	150,436,500	146,920,118
	7.2	222,064,374	248,259,427	173,529,297	179,379,956

7.1 Advances to others

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
L/C margins, charges and insurance against traded goods	11,865,623	24,493,743	-	9,288,791
Postage franking machine	-	10,749	-	10,749
	11,865,623	24,504,492	-	9,299,540

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
7.2 Non-current portion of deposits and prepayments	29,524,645	36,228,957	23,092,798	23,160,298
Current portion of advances, deposits and prepayments	192,539,729	212,030,470	150,436,499	156,219,658
	222,064,374	248,259,427	173,529,297	179,379,956



8 Inventories

See accounting policy in Note 40 (E)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Finished goods	3,259,112,166	2,863,312,296	3,247,122,506	2,810,051,832
Non-Trade goods	11,649,809	9,738,312	11,649,809	9,738,312
Raw materials	306,987,929	615,051,287	102,504,365	244,738,388
Goods in transit	970,681,472	1,018,609,051	638,836,703	823,676,512
	4,548,431,376	4,506,710,946	4,000,113,383	3,888,205,044
Provision for inventory obsolescence	(115,776,854)	(108,321,088)	(115,776,854)	(108,321,088)
	4,432,654,522	4,398,389,858	3,884,336,529	3,779,883,956

In view of numerous items of inventories and diversified units of measurement, it is not feasible to disclose quantities against each item.

8.1 Inventories-consolidated

<i>In BDT</i>	2020		
	SBL	IAL	Total
Finished goods	3,258,772,315	49,589,718	3,308,362,033
Less: Unrealised profit (PURP)	-	-	(37,600,058)
	3,258,772,315	49,589,718	3,270,761,975
Raw materials	102,504,365	204,483,564	306,987,929
Goods in transit	638,836,703	331,844,769	970,681,472
	4,000,113,383	585,918,051	4,548,431,376
Provision for inventory obsolescence	(115,776,854)	-	(115,776,854)
	3,884,336,529	585,918,051	4,432,654,522

9 Trade and other receivables

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Trade receivables	9.1	2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844
Other receivables	9.2	130,385,922	169,140,208	191,767,405	210,806,629
		2,477,596,446	2,471,880,052	2,538,977,929	2,513,546,473

9.1 Trade receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Hire customer receivables	9.1.1	2,153,043,022	2,100,606,310	2,153,043,022	2,100,606,310
Trade and dealer receivables	9.1.2	194,167,502	202,133,534	194,167,502	202,133,534
		2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844

9.1.1 Hire customer receivables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Hire receivable from customers		2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468
Unearned carrying charges		(304,849,928)	(290,133,543)	(304,849,928)	(290,133,543)
		2,225,907,186	2,146,447,925	2,225,907,186	2,146,447,925
Provision for doubtful debts	9.3.1	(72,864,164)	(45,841,615)	(72,864,164)	(45,841,615)
		2,153,043,022	2,100,606,310	2,153,043,022	2,100,606,310

Singer Bangladesh Limited
Notes to the financial statements (continued)

9.1.2 Trade and dealer receivables

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Trade receivables		131,377,636	141,350,706	131,377,636	141,350,706
Receivables from dealers		91,265,444	76,053,832	91,265,444	76,053,832
		222,643,080	217,404,538	222,643,080	217,404,538
Provision for doubtful debts	9.3.1	(28,475,578)	(15,271,004)	(28,475,578)	(15,271,004)
		194,167,502	202,133,534	194,167,502	202,133,534

9.2 Other receivables

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Receivable from Shop Managers		24,890,323	29,188,237	24,890,323	29,188,237
Receivable from Retail Holdings Bhold B.V., The Netherlands		2,158,465	1,497,415	2,158,465	1,497,415
Receivable from employees		6,233,871	6,079,527	6,233,871	5,916,444
Receivable from others	9.2.1	130,989,984	148,542,378	186,145,792	186,760,093
Employees provident fund		1,270,362	5,587,330	2,266,275	5,867,428
Retirement benefit	14	5,648,566	1,520,970	10,878,328	4,852,660
		171,191,571	192,415,857	232,573,054	234,082,278
Provision for doubtful debts	9.3.1	(40,805,649)	(23,275,649)	(40,805,649)	(23,275,649)
		130,385,922	169,140,208	191,767,405	210,806,629

9.2.1 Other receivables includes BDT 110,000,000 in respect of insurance claim regarding inventories of Chittagong warehouse which were burnt due to fire on 20 March 2019. Total value of inventories burnt is BDT 126,752,760. Out of this, BDT 110,000,000 is covered by insurance. Insurance company has appointed surveyor to measure the loss suffered by Singer. Inventory has been fully adjusted for this incident and receivables has been recognised based on the assumption that entire policy value will be recovered from the insurance company. The claim is under scrutiny of the insurance company.

9.3 Provision for doubtful debts

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		84,388,268	55,358,342	84,388,268	55,358,342
Provision for the year		85,838,216	58,994,317	85,838,216	58,994,317
		170,226,484	114,352,659	170,226,484	114,352,659
Written-off during the year		(28,081,093)	(29,964,391)	(28,081,093)	(29,964,391)
Closing balance	9.3.1	142,145,391	84,388,268	142,145,391	84,388,268

9.3.1 Provision for doubtful debts-Closing balance

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Hire customer receivables	9.1.1	72,864,164	45,841,615	72,864,164	45,841,615
Trade and dealer receivables	9.1.2	28,475,578	15,271,004	28,475,578	15,271,004
Other receivables	9.2	40,805,649	23,275,649	40,805,649	23,275,649
		142,145,391	84,388,268	142,145,391	84,388,268

9.4 Ageing of hire receivables from customers

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Due within 3 months		1,077,801,115	1,071,172,592	1,077,801,115	1,071,172,592
Due over 3 months but within 6 months		856,696,578	819,867,039	856,696,578	819,867,039
Due over 6 months but within 9 months		445,265,852	406,636,346	445,265,852	406,636,346
Due over 9 months but within 12 months		135,292,146	125,209,004	135,292,146	125,209,004
Over 12 months		15,701,423	13,696,487	15,701,423	13,696,487
	9.5	2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468

Singer Bangladesh Limited
Notes to the financial statements (continued)

9.5 Particulars of hire receivables from customers

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Secured - considered good:				
Debts due within 6 months	1,861,633,529	1,845,198,016	1,861,633,529	1,845,198,016
Debts due over 6 months	596,259,421	545,541,837	596,259,421	545,541,837
	2,457,892,950	2,390,739,853	2,457,892,950	2,390,739,853
Secured - considered doubtful:				
i) Aggregate amount due by Managing Director and other Directors of the Company	72,864,164	45,841,615	72,864,164	45,841,615
ii) Aggregate amount due by managers and other staffs of the Company	-	-	-	-
iii) Aggregate amount due by associate undertakings	-	-	-	-
iv) Maximum amount of debts due by managers and other staff of the Company	-	-	-	-
	2,530,757,114	2,436,581,468	2,530,757,114	2,436,581,468

10 Cash and cash equivalents

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Cash in hand	260,898	330,466	91,993	79,435
Cash at bank	170,529,410	165,542,017	168,930,076	164,661,840
Cash in transit	9,126,411	15,839,610	9,126,411	15,839,609
	179,916,718	181,712,093	178,148,480	180,580,885

11 Share capital

<i>In BDT</i>	2020	2019
Authorised:		
250,000,000 ordinary shares of Taka 10 each	2,500,000,000	1,000,000,000
Issued, subscribed and paid up:		
25,670 ordinary shares of Taka 10 each issued for cash	256,700	256,700
102,580 ordinary shares of Taka 10 each issued for consideration other than cash	1,025,800	1,025,800
99,574,588 ordinary shares of Taka 10 each issued as fully paid-up bonus shares	995,745,880	995,745,880
	997,028,380	997,028,380

Shareholding position:

<i>Name of shareholder</i>	2020		2019	
	No. of share	Value (BDT)	No. of share	Value (BDT)
Retail Holdings Bhold B.V., The Netherlands	36,886,123	368,861,230	36,886,123	368,861,230
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	19,933,214	199,332,140	19,933,214	199,332,140
Local shareholders	42,883,501	428,835,010	42,883,501	428,835,010
	99,702,838	997,028,380	99,702,838	997,028,380

Beneficial percentage of holdings

<i>Name of shareholder</i>	2020	2019
Retail Holdings Bhold B.V., The Netherlands	37.00%	37.00%
Retail Holdings Bhold B.V., The Netherlands - non-remittable shares	20.00%	20.00%
Local shareholders	43.00%	43.00%
	100.00%	100.00%



Singer Bangladesh Limited
Notes to the financial statements (continued)

Classification of shareholders by holding:

Shareholding range	Number of shareholders		Total holding (%)	
	2020	2019	2020	2019
Less than 500 shares	6,509	6,361	1.02	0.96
500 to 5,000 shares	3,041	2,926	4.76	4.59
5,001 to 10,000 shares	255	247	1.80	1.79
10,001 to 20,000 shares	155	145	2.28	2.02
20,001 to 30,000 shares	47	53	1.18	1.31
30,001 to 40,000 shares	37	28	1.33	1.02
40,001 to 50,000 shares	23	18	1.07	0.82
50,001 to 100,000 shares	53	47	3.92	3.44
100,001 to 1,000,000 shares	56	51	14.17	13.81
Over 1,000,000 shares	9	10	68.47	70.22
	10,185	9,886	100.00	100.00

Details of share issue has been shown in Annexure - 2.

12 Reserves

<i>In BDT</i>	<i>Note</i>	2020	2019
Revaluation reserve	12.1	547,083,347	550,340,462
Capital reserve	12.2	18,190,942	18,190,942
Non-remittable special capital reserve	12.3	370,178	370,178
Non-distributable special reserve	12.4	232,847	232,847
		565,877,314	569,134,429

12.1 Revaluation reserve

The land of the Company was revalued as of 14 December 2016 by independent professional valuers, Asian Surveyors Ltd, following "current cost method", which was also revalued previously in years 2005, 2008, 2010 and 2012. The revaluation of 2016 resulted in a revaluation surplus of Taka 171,922,000. As per IAS 16 "Property, Plant and Equipment", the difference between charge of depreciation on revalued amount and original cost is required to be transferred from revaluation reserve to retained earnings in order to pay dividend from operating profit since charge of depreciation on revalued amount does not effect the cash flow, etc.

The buildings of the Company were revalued along with the lands as of 14 December 2016. As per clause 9 (iii) under Section-A of BSEC notification dated 18 August 2013, upward revaluation of buildings are not allowed having remaining economic life of less than 50% of its total useful life as estimated at construction. Apropos this clause, no upward revaluation was accounted for in the books of Singer Bangladesh Limited for the year ended 31 December 2016.

As per clause 8 of BESC circular # SEC/CMRRCD/2009-193/150/Admin dated 18 August, 2013 "time lag between two valuations for the same class of assets shall not be less than three years, provided that no upward revaluation of an asset shall be made within two years of its acquisition". So in compliance with this notification no revaluation of assets has been made during 2017 and 2018.

12.2 Capital reserve

This represents capital gain on disposal of factory land and building at Chittagong in 2003.

12.3 Non-remittable special capital reserve

This represents profit after tax on sale of certain merchandise which, not being remittable as per directives of Bangladesh Bank, is required to be retained under this reserve.

12.4 Non-distributable special reserve

This special reserve, created vide Bangladesh Bank Circular No. FE 27 dated 3 May 1987, represents 90% of post-tax profit on sale of moveable fixed assets up to 1992. The requirement of continuing to add to this reserve has subsequently been withdrawn.



13 Deferred tax assets/(liabilities)

See accounting policy in Note 40 (D)

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		(1,110,395)	26,507,800	43,667,319	45,639,652
Acquisition of business		-	-	-	-
		(1,110,395)	26,507,800	43,667,319	45,639,652
Released/(expense) during the year		51,337,615	(28,931,950)	36,357,545	(3,286,087)
Transferred to retained earnings		1,085,705	1,313,755	1,085,705	1,313,754
		52,423,320	(27,618,195)	37,443,250	(1,972,333)
Closing balance	13.1	51,312,925	(1,110,395)	81,110,569	43,667,319

13.1 Closing balance

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Deferred tax assets	13.1.1	129,023,345	352,971,214	102,618,606	304,969,009
Deferred tax liabilities	13.1.2	(77,710,420)	(354,081,609)	(21,508,037)	(261,301,690)
		51,312,925	(1,110,395)	81,110,569	43,667,319

13.1.1 Deferred tax assets

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Provision for gratuity	1,699,673	1,166,091	-	-
Reserve against inventories	28,944,213	27,080,272	28,944,213	27,080,272
Reserve for warranty	35,525,541	29,476,317	29,502,987	23,421,861
Provision for bad debts	35,536,348	21,097,067	35,536,348	21,097,067
Unabsorbed depreciation	18,682,512	5,823,106	-	-
Property, plant and equipment	1,354,042	916,312	1,354,042	916,312
Leases	7,281,016	267,412,049	7,281,016	232,453,497
	129,023,345	352,971,214	102,618,606	304,969,009

13.1.2 Deferred tax liabilities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Provision for gratuity	-	(1,213,165)	-	(1,213,165)
Revaluation of land and building	(21,508,037)	(22,776,222)	(21,508,037)	(22,776,222)
Property, plant and equipment	(55,226,620)	(60,364,154)	-	-
Leases	(975,763)	(269,728,069)	-	(237,312,303)
	(77,710,420)	(354,081,609)	(21,508,037)	(261,301,690)

The amounts of deferred tax assets and liabilities have been netted off as permitted by IAS 12. "Income taxes".

Singer Bangladesh Limited
Notes to the financial statements (continued)

14 Retirement benefit

Gratuity

See accounting policy in Note 40 (O)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Opening balance		1,520,970	1,923,446	4,852,660	4,239,496
Acquisition of business		-	-	-	-
		1,520,970	1,923,446	4,852,660	4,239,496
Provision for the year		(14,239,641)	(337,396)	(12,023,039)	613,164
		(12,718,671)	1,586,050	(7,170,379)	4,852,660
Payments during the year		18,367,237	(65,080)	18,048,707	-
Closing balance	14.1	5,648,566	1,520,970	10,878,328	4,852,660

14.1 Closing balance

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,520,970	1,923,446	4,852,660	4,239,496
Acquisition of business	-	-	-	-
	1,520,970	1,923,446	4,852,660	4,239,496
Included in profit or loss				
Current service cost	(13,161,903)	(9,576,545)	(8,324,868)	(8,560,905)
Net interest (expense)/income	11,246,041	9,933,569	411,635	401,968
	(1,915,862)	357,024	(7,913,233)	(8,158,937)
Measurements (loss)/gain	1,915,862	(759,500)	1,915,862	(759,500)
Other				
Contributions paid by the employer	(14,239,641)	-	12,023,039	9,531,601
Benefits paid	18,367,237	-	-	-
	4,127,596	-	12,023,039	9,531,601
Balance at 31 December	5,648,566	1,520,970	10,878,328	4,852,660

14.2 Actuarial gain/loss from re-measurement of defined benefit obligations and plan assets

Only Company's information for current and comparative year are presented as subsidiary's gratuity is unfunded.

<i>In BDT</i>	Company	
	2020	2019
Amounts recognised in the statement of financial position		
Defined benefit obligation	(132,449,159)	(127,228,827)
Fair value of plan assets	143,327,487	132,081,487
Net defined benefit plan assets	10,878,328	4,852,660
Change in benefit obligation		
Benefit obligation at end of prior year	(127,228,827)	(119,393,741)
Service cost	(8,324,868)	(8,560,905)
Interest expense	(10,814,450)	(11,342,405)
Benefit payments from plan assets	18,048,707	3,829,238
Experience gain/(loss)	(4,129,721)	8,238,986
Defined benefit obligation at end of year	(132,449,159)	(127,228,827)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	132,081,487	123,632,521
Interest income	11,226,926	11,745,089
Employer contributions	12,023,039	9,531,601
Benefit payments from plan assets	(18,048,707)	(3,829,238)
Actuarial gains/(losses) on plan assets	6,045,583	(8,998,486)
Fair value of plan assets at end of year	143,328,328	132,081,487
Fair value of plan assets		
Investment	135,479,654	127,166,641
Accrued interest on investment	3,931,641	4,906,828
Cash at bank	3,917,033	8,018
	143,328,328	132,081,487

Singer Bangladesh Limited
Notes to the financial statements (continued)

Components of Defined Benefit Cost (DBO)			
Service cost		8,324,868	8,560,905
Interest expense on DBO		10,814,450	11,342,405
Interest (income) on plan assets		(11,226,926)	(11,745,089)
Defined benefit cost included in profit or loss		7,912,392	8,158,221
Remeasurements (recognised in other comprehensive income-OCI)			
Experience gain/(loss)		(4,129,721)	8,238,986
Actuarial gains/(losses) on plan assets		6,045,583	(8,998,486)
Total remeasurements in OCI		1,915,862	(759,500)
Total defined benefit cost recognised in profit or loss and OCI		5,996,530	8,917,721

15 Other liabilities

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Non-remittable accounts	15.1	1,562,435,491	1,408,949,743	1,562,435,491	1,408,949,743
Security deposits from branch managers, agents and dealers		312,186,330	277,226,939	312,186,330	277,226,939
Warranty - long term portion		39,333,381	37,474,978	39,333,381	37,474,978
		1,913,955,202	1,723,651,660	1,913,955,202	1,723,651,660

15.1 Non-remittable accounts

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Current account	(78)	(78)	(78)	(78)
Dividend account:				
Opening balance	1,408,469,831	1,408,469,831	1,408,469,831	1,408,469,831
Dividend for the year	153,485,748	-	153,485,748	-
Closing balance	1,561,955,579	1,408,469,831	1,561,955,579	1,408,469,831
Capital gain on sale of land	479,990	479,990	479,990	479,990
	1,562,435,491	1,408,949,743	1,562,435,491	1,408,949,743

All the above balances are due to Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) and are non-remittable as per directive of Bangladesh Bank and will not be eligible for remittance either as dividend or as capital.

As per directive of Bangladesh Bank, the balance of Taka 479,990 against the capital gain on sale of land created in the year 1990 is required to be shown under non-remittable account.

16 Trade and other payables

See accounting policy in Note 40 (H)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Trade payables	16.1	432,847,652	453,166,958	673,528,013	566,079,664
Other payables	16.2	1,782,180,212	1,906,399,663	1,231,227,410	1,288,777,170
		2,215,027,864	2,359,566,621	1,904,755,423	1,854,856,834

Singer Bangladesh Limited
Notes to the financial statements (continued)

16.1 Trade payables

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Trade payable	379,147,212	419,562,665	619,827,572	532,975,371
Freight and carriage and technicians bills payable	53,700,440	33,604,292	53,700,440	33,104,292
	432,847,652	453,166,958	673,528,013	566,079,664

16.2 Other payables

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Payable for expenses	16.2.1	831,945,195	899,750,681	809,656,488	876,073,774
Royalty		371,909,126	365,355,502	314,648,015	315,805,040
Payable for other finance	16.2.2	565,508,026	627,029,914	94,105,042	82,634,790
Leasehold improvements against new shops		12,817,865	14,263,566	12,817,865	14,263,566
		1,782,180,212	1,906,399,663	1,231,227,410	1,288,777,170

16.2.1 Payable for expenses

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Advertisement and sales promotion	252,793,207	291,778,753	252,793,207	291,778,753
Reserve for early closing of hire sales	262,265,321	304,590,027	262,265,321	304,590,027
Shop rent	20,422,400	52,228,988	20,422,400	52,228,988
Warranty expenses	92,081,666	68,456,105	78,678,565	56,212,467
Reserve for allowable loss	51,969,978	36,970,806	51,969,978	36,970,806
Workers' profit participation and welfare fund	58,540,556	77,335,952	58,540,556	75,321,587
Duty and freight	10,458,156	9,958,156	9,958,156	9,958,156
Utilities	6,442,455	6,442,455	5,000,000	5,000,000
Interest	19,340,318	1,634,718	18,100,000	-
Transacting & collecting commission/bonuses	8,994,559	9,829,547	8,994,559	9,829,547
Salary and benefits	26,746,448	28,735,779	26,746,448	28,735,778
Statutory audit fee	1,725,000	1,380,000	1,150,000	805,000
Selling expenses	1,033,311	962,665	1,033,311	962,665
Professional and technical fees	7,835,000	4,391,921	7,835,000	3,680,000
Repair & maintenance	5,127,833	5,054,809	-	-
Insurance and other	6,168,987	-	6,168,987	-
	831,945,195	899,750,681	809,656,488	876,073,774

16.2.2 Payable for other finance

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
VAT payable - realised from customers	6,746,343	7,663,106	7,440,343	8,087,424
Withholding taxes	21,794,425	20,599,995	21,289,318	19,973,495
Advance from customers	17,360,384	14,646,949	17,360,384	14,646,949
Security deposits	-	260,421	-	-
Jiangsu Sonlu Import and Export Co. Ltd.	421,984,158	520,590,167	-	-
Others	97,622,716	63,269,276	48,014,997	39,926,922
	565,508,026	627,029,914	94,105,042	82,634,790



17 Short-term borrowings - secured

See accounting policy in Note 40 (H)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Bank overdrafts/Short-term loan	2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938

Registered hypothecation of inventories, receivables and machineries under pari-passu arrangement with other banks were maintained to obtain bank overdrafts and short term loans from different banks. Below table shows the bank details.

<i>In BDT</i>		Consolidated		Company	
		2020	2019	2020	2019
Commercial Bank of Ceylon Plc	Bank overdraft	135,754,782	276,697,101	110,789,571	182,036,976
Pubali Bank Ltd.	Bank overdraft	109,944,575	470,540,858	109,944,575	470,540,858
HSBC	Bank overdraft	209,955,085	231,082,383	109,661,063	138,429,587
Bank-Al-Falah	Bank overdraft	271,190,155	296,373,703	271,190,155	296,373,703
Standard Chartered Bank Ltd.	Bank overdraft	46,494,229	118,866,222	46,494,229	118,866,222
Eastern Bank Ltd.	Bank overdraft	37,191,043	56,242,260	35,264,762	29,406,122
Mutual Trust Bank Ltd.	Bank overdraft	5,049,995	634,621	5,049,995	634,621
City Bank Ltd.	Bank overdraft	56,735,395	-	56,735,395	-
Trust Bank Ltd.	Bank overdraft	-	10,573,849	-	10,573,849
Dhaka Bank Ltd.	Bank overdraft	94,727,748	82,779	-	-
Commercial Bank of Ceylon Plc	Short-term loan	691,054,119	300,000,000	516,000,000	300,000,000
HSBC	Short-term loan	60,389,000	200,000,000	60,389,000	200,000,000
Standard Chartered Bank Ltd.	Short-term loan	120,000,000	-	120,000,000	-
Bank-Al-Falah	Short-term loan	100,000,000	-	100,000,000	-
Pubali Bank Ltd.	Short-term loan	40,000,000	-	40,000,000	-
Trust Bank Ltd.	Short-term loan	30,000,000	-	30,000,000	-
		2,008,486,125	1,961,093,776	1,611,518,744	1,746,861,938

18 Long term debt

Represents long term loan of IAL obtained from Commercial Bank of Ceylon Plc to invest in capital machinery, which will be repaid within six years

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Non-current portion of long term liability		14,214,569	25,682,777	-	-
Current portion of long term liability		11,468,208	11,468,208	-	-
		25,682,777	37,150,985	-	-

Registered hypothecation of specific imported machinery & equipment were kept as securities to obtain the long term loan from the bank.

19 Current tax assets/(liabilities)

See accounting policy in Note 40 (D)

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Advance income tax	19.1	2,051,088,405	1,559,383,030	1,667,739,997	1,266,591,401
Provision for income tax	19.2	(1,791,938,364)	(1,430,875,895)	(1,717,955,803)	(1,372,949,827)
		259,150,041	128,507,136	(50,215,806)	(106,358,425)

Singer Bangladesh Limited
Notes to the financial statements (continued)

19.1 Advance income tax

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,559,383,030	1,119,725,295	1,266,591,401	920,881,202
Acquisition of business	-	-	-	-
	1,559,383,030	1,119,725,295	1,266,591,401	920,881,202
Add: Advance income tax paid during the year	491,705,375	439,657,735	401,148,596	345,710,199
Adjustment for completion of prior year tax assessment	-	-	-	-
Closing balance	2,051,088,405	1,559,383,030	1,667,739,997	1,266,591,401

19.2 Provision for income tax

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Opening balance	1,430,875,895	1,021,235,053	1,372,949,827	979,699,875
Acquisition of business	-	-	-	-
	1,430,875,895	1,021,235,053	1,372,949,827	979,699,875
Provision during the year	361,062,470	416,116,006	345,005,976	399,725,116
Adjustment for prior year	-	(6,475,164)	-	(6,475,164)
Adjustment for completion of prior year tax assessment	-	-	-	-
	1,791,938,364	1,430,875,895	1,717,955,803	1,372,949,827



Singer Bangladesh Limited
Notes to the financial statements (continued)

20 Turnover

See accounting policy in Note 40 (A)

A. Revenue streams

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Revenue from contracts with customers	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479

B. Disaggregation of revenue from contracts with customers

See accounting policy in Note 40 (A)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Home appliances	10,137,004,561	11,049,796,056	10,137,004,561	11,049,796,056
Consumer electronics	2,590,741,854	2,554,800,768	2,590,741,854	2,554,800,768
Sewing machines	776,860,315	792,425,321	776,860,315	792,425,321
Other appliances	1,537,690,687	919,011,603	1,537,690,687	919,011,603
	15,042,297,417	15,316,033,747	15,042,297,417	15,316,033,747
Furniture	4,013,337	169,201,732	4,013,337	169,201,732
	15,046,310,754	15,485,235,479	15,046,310,754	15,485,235,479

Turnover includes the following:

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Television under consumer electronic	2,573,008,604	2,554,797,720	2,590,741,854	2,554,797,720
Air conditioner under home appliance	1,468,447,159	2,044,155,123	1,479,183,588	2,044,155,123
Furniture	3,649,015	169,201,732	4,013,337	169,201,732
	4,045,104,777	4,768,154,575	4,073,938,779	4,768,154,575

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Receivables, which are included in 'trade and other receivables'	9	2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844
		2,347,210,524	2,302,739,844	2,347,210,524	2,302,739,844

D. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies described in Note 40 (A).

Singer Bangladesh Limited

Notes to the financial statements (continued)

21 Cost of sales

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020	2019	2020	2019
Opening inventory of raw materials		1,633,660,338	1,258,408,437	1,068,414,900	778,843,982
Acquisition of business		-	-	-	-
		1,633,660,338	1,258,408,437	1,068,414,900	778,843,982
Purchased during the year		10,303,771,103	8,834,182,570	8,053,008,938	6,533,378,529
Closing inventory of raw materials		(1,277,669,401)	(1,633,660,338)	(741,341,068)	(1,068,414,900)
Raw materials consumption	21.1 & 21.2	10,659,762,040	8,458,930,669	8,380,082,770	6,243,807,611
Factory salaries and wages		149,746,067	133,647,876	81,262,868	75,994,648
Freight and carriage		158,806,561	103,760,031	158,719,941	103,670,151
Rent		700,000	-	-	-
Depreciation	3.4	52,994,965	53,568,070	12,168,040	14,608,977
Right-of-use asset depreciation		32,153,580	30,675,604	-	-
Repairs and maintenance		12,810,861	10,265,470	391,612	715,603
Utilities		18,140,314	20,097,273	3,695,481	5,026,445
Bonus		7,567,996	7,127,361	5,191,212	4,932,235
Consumable stores		9,050,903	9,673,050	3,161,403	3,971,619
Gratuity		4,252,510	1,642,279	2,170,318	615,384
Employee benefits and recreation		5,244,338	5,075,857	4,372,899	3,342,744
Contribution to provident fund		3,186,794	3,058,826	2,253,366	2,148,940
Fuel and car maintenance		6,627,883	8,323,799	5,599,914	6,972,227
Insurance		4,587,729	2,988,056	1,437,573	440,746
Stationery		1,826,614	1,742,720	1,508,947	1,404,173
Conveyance and travelling		2,866,302	2,557,837	372,293	728,900
Postage & communication		17,038	291,719	-	-
Miscellaneous		25,920,108	5,723,083	2,959,214	191,807
		496,500,564	400,218,910	285,265,081	224,764,599
Works cost (materials + manufacturing expenses)		11,156,262,605	8,859,149,579	8,665,347,851	6,468,572,210
Opening work-in-process		-	4,370,374	-	4,370,374
Closing work-in-process		-	-	-	-
Cost of production		11,156,262,605	8,863,519,953	8,665,347,851	6,472,942,584
Opening inventory of finished goods		2,873,050,608	2,777,291,618	2,819,790,144	2,662,853,046
Acquisition of business		-	-	-	-
		2,873,050,608	2,777,291,618	2,819,790,144	2,662,853,046
Purchase/production of finished goods		224,376,043	2,364,230,920	2,876,548,777	4,945,452,490
		3,097,426,651	5,141,522,538	5,696,338,921	7,608,305,536
Closing inventory of finished goods	21.3	(3,270,761,975)	(2,873,050,608)	(3,258,772,315)	(2,819,790,144)
Cost of sales		10,982,927,281	11,131,991,883	11,102,914,457	11,261,457,976

21.1 Raw materials consumption-consolidated

<i>In BDT</i>	Balance at 1 Jan 2020	Purchases during the year	Balance at 31 Dec 2020	Consumption during the year
<u>Imported</u>				
Television	98,003,831	1,232,181,707	(82,005,618)	1,248,179,920
Air conditioner	145,063,796	1,098,066,090	(18,667,945)	1,224,461,941
Refrigerator	565,245,438	2,250,762,165	(536,328,333)	2,279,679,270
Others	823,676,156	5,722,601,457	(638,836,704)	5,907,440,909
	1,631,989,221	10,303,611,420	(1,275,838,600)	10,659,762,040
<u>Locally procured</u>				
Furniture	1,671,117	159,729	(1,830,846)	-
Television, Refrigerator and Other	-	-	-	-
	1,671,117	159,729	(1,830,846)	-
	1,633,660,338	10,303,771,149	(1,277,669,446)	10,659,762,040



Singer Bangladesh Limited
Notes to the financial statements (continued)

21.2 Raw materials consumption-company

<i>In BDT</i>	Balance at 1 Jan Purchases during		Balance at 31 Dec	Consumption
	2020	the year		
<u>Imported</u>				
Television	98,003,831	1,232,181,707	(82,005,618)	1,248,179,920
Air conditioner	145,063,796	1,098,066,090	(18,667,945)	1,224,461,941
Others	823,676,156	5,722,601,457	(638,836,704)	5,907,440,909
	1,066,743,783	8,052,849,255	(739,510,267)	8,380,082,770
<u>Locally procured</u>				
Furniture	1,671,117	159,729	(1,830,846)	-
	1,671,117	159,729	(1,830,846)	-
	1,068,414,900	8,053,008,984	(741,341,113)	8,380,082,770

21.3 Closing stock of finished goods

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Home appliance	2,386,955,286	1,893,230,578	2,374,965,626	1,839,970,189
Consumer electronic	308,596,588	352,105,340	308,596,588	352,105,341
Sewing	110,275,380	179,319,999	110,275,380	179,319,999
Furniture	1,690,788	10,530,174	1,690,788	10,530,174
Other	463,243,933	437,864,516	463,243,933	437,864,441
	3,270,761,975	2,873,050,608	3,258,772,315	2,819,790,144

22 Operating expenses

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Advertisement and sales promotion	22.1	544,188,280	702,241,898	544,188,280	702,241,898
Shop operating expenses		470,748,035	459,188,314	470,748,035	459,188,314
Salaries and allowances		432,134,741	342,761,720	412,977,866	337,721,362
Rent and occupancy		35,913,868	55,509,476	35,913,868	55,509,476
Royalty	22.2 & 22.3	173,256,380	198,654,471	144,082,480	170,565,535
Warranty		223,687,845	160,182,284	223,687,845	160,182,284
Utilities		53,326,503	59,388,783	53,322,903	59,385,483
Depreciation	3.4	63,291,700	59,106,709	63,271,347	59,083,263
Right-of-use asset depreciation		238,732,256	212,555,103	238,732,256	212,555,103
Bad debts		85,838,216	58,994,317	85,838,216	58,994,317
Office administration		56,949,183	63,895,568	56,880,279	63,813,570
Repairs and maintenance		52,386,235	48,746,799	52,386,235	48,724,299
Directors' fee and remuneration	22.4	28,719,516	27,115,802	28,666,716	27,070,202
Travelling		31,636,388	50,749,532	31,620,965	50,722,520
Amortisation	4	6,007,177	7,264,894	5,965,998	7,252,882
Bank charge		26,682,243	25,449,268	25,334,278	23,824,623
Insurance		7,238,251	4,489,122	7,238,251	4,489,123
Fuel and car maintenance		2,832,399	4,128,099	2,832,399	4,128,099
Professional and technical fees	22.5	12,196,333	7,599,653	9,767,724	6,887,732
Entertainment		4,043,140	6,880,206	4,043,140	6,880,204
Statutory audit fee		1,725,000	1,380,000	1,150,000	805,000
Dues and subscription		751,410	638,084	590,260	494,584
Demurrage cost**		84,582,767	-	25,397,576	-
		2,636,867,866	2,556,920,102	2,524,636,917	2,520,519,873

**Due to country wide lockdown for COVID-19 pandemic, demurrage cost was paid for delay in port clearance.

22.1 Advertisement and sales promotion

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Advertisement	172,256,344	269,326,760	172,256,344	269,326,760
Selling expenses	319,879,830	293,194,652	319,879,830	293,194,652
Sales promotion	27,198,293	69,280,486	27,198,293	69,280,486
Meeting & conference expenses	24,853,813	70,440,000	24,853,813	70,440,000
	544,188,280	702,241,898	544,188,280	702,241,898



Singer Bangladesh Limited
Notes to the financial statements (continued)

22.2 Royalty-consolidated

Retail Holdings Asia B.V.		Turnover from manufacturing units		Royalty charge for the year	
Manufactured products					
<i>In BDT</i>		2020	2019	2020	2019
Audio-video sets (television)		-	521,140,603	-	19,542,773
Air conditioner		-	199,253,143	-	7,471,993
Furniture		-	94,214,826	-	3,533,056
Refrigerator		-	613,929,684	-	6,753,227
		-	1,428,538,256	-	37,301,049

Retail Holdings Bhold B.V.		Turnover from manufacturing units		Royalty charge for the year	
Manufactured products					
<i>In BDT</i>		2020	2019	2020	2019
Audio-video sets (television)		2,382,254,538	1,893,372,135	89,334,545	71,001,455
Air conditioner		1,456,301,886	1,767,153,236	54,611,321	66,268,246
Furniture		3,643,033	73,280,303	136,614	2,748,011
Refrigerator		2,652,172,729	1,939,609,987	29,173,900	21,335,710
		6,494,372,185	5,673,415,661	173,256,380	161,353,422

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3.75% on audio-video sets, air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator for the year 2020.

22.3 Royalty-company

Retail Holdings Asia B.V.		Turnover from manufacturing units		Royalty charge for the year	
Manufactured products					
<i>In BDT</i>		2020	2019	2020	2019
Audio-video sets (television)		-	521,140,603	-	19,542,773
Air conditioner		-	199,253,143	-	7,471,993
Furniture		-	94,214,826	-	3,533,056
		-	814,608,572	-	30,547,822

Retail Holdings Bhold B.V.		Turnover from manufacturing units		Royalty charge for the year	
Manufactured products					
<i>In BDT</i>		2020	2019	2020	2019
Audio-video sets (television)		2,382,254,538	1,893,372,135	89,334,545	71,001,455
Air conditioner		1,456,301,886	1,767,153,236	54,611,321	66,268,247
Furniture		3,643,033	73,280,303	136,614	2,748,011
		3,842,199,456	3,733,805,674	144,082,480	140,017,713

Royalty was charged on the net annual invoice price of products manufactured by Singer Bangladesh Limited @ 3.75% (Approx) on audio-video sets, air conditioner and furniture for the year 2020.

22.4 Director's fee and remuneration

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Remuneration	25,725,755	21,930,134	25,725,755	21,930,134
Housing	1,051,512	1,990,362	1,051,512	1,990,362
Medical and welfare	1,604,824	2,885,206	1,604,824	2,885,206
Fees	337,425	310,100	284,625	264,500
	28,719,516	27,115,802	28,666,716	27,070,202



Singer Bangladesh Limited
Notes to the financial statements (continued)

22.5 Professional and technical fees

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Legal and technical services fees	5,269,583	3,762,153	2,970,974	3,150,232
IFRS audit fees	-	460,000	-	460,000
Audit and other consultancy	6,926,750	3,377,500	6,796,750	3,277,500
	12,196,333	7,599,653	9,767,724	6,887,732

23 Net finance costs

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Finance income	90,034	307,831	90,034	307,831
Interest expenses on borrowings	(339,298,242)	(314,889,517)	(296,367,966)	(262,381,733)
Interest expenses on leases	(104,556,743)	(88,741,942)	(95,662,522)	(77,851,810)
Finance costs	(443,854,985)	(403,631,459)	(392,030,488)	(340,233,543)
	(443,764,951)	(403,323,628)	(391,940,454)	(339,925,712)

24 Other income/(loss)

This represents following items of income from other operations, not directly connected with principal activities of the Company:

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Sale of scrapped inventories and others	11,986,657	11,608,607	266,000	201,000
Dividend income from CDBL	856,772	1,427,953	856,772	1,427,953
Gain/(loss) on sale of fixed assets	(5,897,693)	(2,886,203)	(5,897,693)	(2,886,203)
Fire loss of inventory	-	(37,163,460)	-	(37,163,460)
Hire agreement fees	118,307,541	136,937,147	118,307,541	136,937,147
Reverts product sale	19,168,668	19,629,218	19,168,668	19,629,218
Income from financial & related services	2,704,894	5,153,084	2,704,894	5,153,084
Foreign exchange gain/(loss)	18,491,941	-	6,303,122	-
Other	2,284,363	20,002,084	2,284,363	19,801,084
	167,903,143	154,708,430	143,993,667	143,099,823

25 Contribution to workers' profit participation fund

This is made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended up to 2018) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

26 Income tax expense

<i>In BDT</i>	Note	Consolidated		Company	
		2020	2019	2020	2019
Current tax expense	19.2	361,062,470	416,116,006	345,005,976	399,725,116
Adjustments in the period for current tax of prior periods		-	(6,475,164)	-	(6,475,164)
Deferred tax expense/(income) relating to origination and reversal of temporary differences		(51,337,615)	28,931,950	(36,357,545)	3,286,087
Deferred tax expense/(income) relating to changes in tax rates or the imposition of new taxes		-	-	-	-
		309,724,855	438,572,792	308,648,431	396,536,039



Singer Bangladesh Limited
Notes to the financial statements (continued)

26.1 Reconciliation of effective tax rate

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2020		2020	
		Percentage	BDT	Percentage	BDT
Profit before tax			1,092,113,170		1,112,271,963
Tax using the Company's tax rate		25.23%	275,593,791	25.00%	278,067,991
Tax effect of:					
Provision for non-deductible expenses		2.05%	22,346,084	1.94%	21,560,000
Adjustments / provision released during the year		1.32%	14,439,281	1.30%	14,439,281
Other components of tax as per Income Tax Ordinance 1984		5.50%	60,064,086	2.78%	30,938,705
Temporary differences		-4.70%	(51,337,615)	-3.27%	(36,357,545)
Adjusted unabsorbed depreciation		-1.04%	(11,380,772)	0.00%	-
		28.36%	309,724,855	27.75%	308,648,431

<i>In BDT</i>	<i>Note</i>	Consolidated		Company	
		2019		2019	
		Percentage	BDT	Percentage	BDT
Profit before tax			1,470,372,345		1,431,110,154
Tax using the Company's tax rate		26.36%	387,563,950	25.00%	357,777,539
Tax effect of:					
Provision for non-deductible expenses		1.38%	20,221,552	1.35%	19,375,000
Adjustments / provision released during the year		1.15%	16,907,716	0.51%	7,257,482
Other components of tax as per Income Tax Ordinance 1984		0.60%	8,839,932	0.62%	8,839,932
Temporary differences		1.97%	28,931,950	0.23%	3,286,087
Adjusted unabsorbed depreciation		-1.62%	(23,892,308)	0.00%	-
		29.83%	438,572,792	27.71%	396,536,039

26.2 Related tax-Company & Consolidated

<i>In BDT</i>	2020		
	Before tax	Tax (expense) /	Net of tax
Remeasurement of defined benefit liability	1,915,862	(478,966)	1,436,897
	1,915,862	(478,966)	1,436,897

<i>In BDT</i>	2019		
	Before tax	Tax (expense) /	Net of tax
Remeasurement of defined benefit liability	(759,500)	189,875	(569,625)
	(759,500)	189,875	(569,625)



Singer Bangladesh Limited
Notes to the financial statements (continued)

27 Contingencies and commitments

27.1 Commitments

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Letters of credit	2,862,768,863	1,976,345,888	2,357,296,504	1,559,645,749
Lease hold improvements	-	4,785,050	-	4,785,050
Furniture & fixtures	-	2,000,000	-	2,000,000
Computer & equipment	-	2,726,670	-	2,726,670
	2,862,768,863	1,985,857,608	2,357,296,504	1,569,157,469

The letters of credit were outstanding as at 31 December 2020 against which the Company is committed to purchase products from different companies.

27.2 Contingent liabilities

There are contingent liabilities on account of disputed bank guarantees and claims by the customs authority.

	Consolidated		Company	
	2020	2019	2020	2019
(i) Claims against the Company not acknowledged as debts	5,006,676	5,006,676	5,006,676	5,006,676
(ii) Uncalled liability on partly paid shares/ arrears of fixed cumulative dividends on preference shares	-	-	-	-
(iii) Aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	-	-	-	-
(iv) Aggregate amount of any guarantees given by the Company on behalf of directors, managing directors, or other officers of the	-	-	-	-
(v) Money for which the Company is contingently liable for any guarantees given by banks	23,506,169	21,815,526	22,756,169	21,065,526
	28,512,846	26,822,202	27,762,846	26,072,202

No credit facilities of general nature (other than trade credit in ordinary course of business) under any contract were obtained or made available to the Company.



Singer Bangladesh Limited
Notes to the financial statements (continued)

28 Capacity utilisation

28.1 Capacity utilisation-consolidated

Production	Measurement unit	In units			% of utilisation
		Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	
Panel television	Number	170,000	134,846	(35,154)	79.3
Air conditioner	Sets	30,000	41,141	11,141	137.1
Refrigerator	Number	132,000	141,703	9,703	107.4

28.2 Capacity utilisation-company

Production	Measurement unit	In units			% of utilisation
		Annual installed capacity	Utilisation during the period	Over/(Under) utilisation	
Panel television	Number	170,000	134,846	(35,154)	79.3
Air conditioner	Sets	30,000	41,141	11,141	137.1

29 Number of employees

	Consolidated		Company	
	2020	2019	2020	2019
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 and above.	1,767	1,836	1,432	1,348

30 Remittance in foreign currency

The Company remitted the following amounts in foreign currency during the year to Retail Holdings Bhold B.V., Parent of the Company.

	Name of party	Amount (BDT)	Equivalent (USD)
Dividend, for the year 2019 (final)	Retail Holdings Bhold B.V.	255,620,832	3,000,245

31 Earnings per share (EPS)

31.1 Basic earnings per share

	Consolidated		Company	
	2020	2019	2020	2019
Earnings attributable to the ordinary shareholders	782,388,315	1,031,799,553	803,623,532	1,034,574,115
Weighted average number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	99,702,838
Basic earnings per share	7.85	10.35	8.06	10.38

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2020 in terms of International Accounting Standard (IAS-33). For comparative year (i.e. 2019) the same no of ordinary shares outstanding were used to compute basic EPS, as 77% cash dividend was declared for the year ended 31 December 2019. Details of share issue has been shown in Annexure - 2.

31.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive potential ordinary shares during the



32 Financial risk management

32.1 Financial risk management-consolidated

The Group management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. The Group has exposure to the following risks from its use of financial instruments.

- Credit risk (note 32.1.1)
- Liquidity risk (note 32.1.2)
- Market risk (note 32.1.3)

32.1.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from direct customers, dealers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The home appliance products are sold under hire purchase agreements and the sale of cables is under the ordinary credit terms.

The maximum exposure to credit risk (note 32.1.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

32.1.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In BDT</i>	2020	2019
Loans and receivables	2,477,596,446	2,471,880,052
Deposits	29,524,644	29,432,145
Cash and cash equivalents	179,916,718	181,712,093
	2,687,037,808	2,683,024,290

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

<i>In BDT</i>	2020	2019
Domestic	2,477,596,446	2,471,880,052

The maximum exposure to credit risk for loans and receivables at the reporting date by type of counterparty was:

<i>In BDT</i>	2020	2019
Retail customers	2,153,043,022	2,100,606,310
Wholesale customers	194,167,502	202,133,534
Others	130,385,922	169,140,208
	2,477,596,446	2,471,880,052

Singer Bangladesh Limited
Notes to the financial statements (continued)

32.1.1.2 Impairment loss

Trade receivable is assessed at each reporting date of statement of financial position to determine whether there is any objective evidence that it is impaired. Trade receivable is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be reliably estimated.

The ageing buckets (in days) of receivables at the reporting date was:

<i>In BDT</i>	Gross 2020	Impairment 2020
0 to 30	2,423,838,060	2,085,853
31 to 60	54,681,686	725,041
61 to 180	120,020,120	9,678,536
181 to 360	112,712,755	46,702,740
> 360	42,147,573	42,147,573
	2,753,400,194	101,339,742

<i>In BDT</i>	Gross 2019	Impairment 2019
Not past due	1,861,826,518	2,646,706
Past due 1-30 days	384,347,078	2,317,934
Past due 31-120 days	134,411,514	15,827,864
Past due 121-365 days	44,376,314	53,158,479
More than one year	11,620,044	10,437,285
	2,436,581,468	84,388,268

The movement in the allowance for impairment in respect of receivables during the year was as follows:

<i>In BDT</i>	2020	2019
Opening balance	84,388,268	55,358,342
Allowance recognised for the year	85,838,216	58,994,317
	170,226,484	114,352,659
Allowance written off for the year	(28,081,093)	(29,964,391)
Closing balance	142,145,391	84,388,268

Expected credit loss (ECL) assessment

There is no single specific method of measuring the expected credit loss prescribed in IFRS 9. The Group follows "simplified approach" of measuring the expected credit loss prescribed in IFRS 9. Lifetime expected credit loss, for the outstanding trade receivables at the reporting date, has been calculated considering the business model of the Group. IFRS 9 permits using a few practical expedients and one of them is a provision matrix which is a calculation of the impairment loss based on the default rate percentage applied to the group of financial assets. Two important factors under loss rate approach are- finding out historical default/loss rate and forward looking information.

The Group's policy is to give 60-180 credit days for the repayment of receivables. Calculation of the impairment loss on trade receivables at reporting date includes the below sequential steps:

- Step 1: Analyze the collection of receivables and find out the unpaid amount within each ageing bucket
- Step 2: Calculate the historical loss rates for each ageing bucket
- Step 3: Incorporate forward-looking information to find out adjusted loss rate for each ageing bucket
- Step 4: Apply the adjusted loss rates to the current trade receivables portfolio to find out the ECL amount

Singer Bangladesh Limited
Notes to the financial statements (continued)

Historical loss amount has been calculated considering their ageing buckets when write-off was allowed. The historical loss rate has been calculated in the following way:

Loss rate in an ageing bucket = Loss amount of that bucket / Unpaid amount of that bucket.

After incorporating forward looking information adjusted loss rate has been calculated as below:

Adjusted loss rate in an ageing bucket = Adjusted loss amount in that bucket / Unpaid amount in that bucket.

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting slow recovery. These have triggered the risks of increased default losses and the Group assumes the loss can be increased by 20% (from its historical loss rate), because of the reasons explained above.

The following tables provide information about the exposure to credit risk and ECLs for trade receivables for both current and previous reporting period.

<i>In BDT</i>	For the year ended 31 December 2020		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
Ageing bucket (days)			
0 to 30	2,423,838,060	0.1%	2,085,853
31 to 60	54,681,686	1.3%	725,041
61 to 180	120,020,120	8.1%	9,678,536
181 to 360	112,712,755	41.4%	46,702,740
> 360	42,147,573	100.0%	42,147,573
Total	2,753,400,194		101,339,742

The ECL method is applied prospectively from current year.



Singer Bangladesh Limited
Notes to the financial statements (continued)

32.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast prepared based on the basis of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The followings are the contractual maturities of financial liabilities, including estimated interest payments:

<i>In BDT</i>	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2020							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	2,008,486,125	2,060,437,849	1,138,919,847	921,518,003	-	-	-
Long-term liability	25,682,777	42,846,102	7,356,892	7,085,505	25,618,794	2,784,911	-
Trade and other payables	2,215,027,864	2,215,027,864	2,041,771,484	173,256,380	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	4,249,196,766	4,318,311,815	3,188,048,223	1,101,859,888	25,618,794	2,784,911	-
As at 31 December 2019							
Non-derivative financial liabilities:							
Bank overdraft	1,961,093,776	2,025,283,633	1,308,413,994	716,869,639	-	-	-
Long-term liability	37,150,985	42,846,102	7,356,892	7,085,505	25,618,794	2,784,911	-
Trade and other payables	2,386,901,238	2,386,901,238	2,188,246,767	198,654,471	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	4,385,145,999	4,455,030,973	3,504,017,653	922,609,615	25,618,794	2,784,911	-

Singer Bangladesh Limited
Notes to the financial statements (continued)

32.1.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group is exposed to normal business risks from changes in market interest rates and currency rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative business.

32.1.3.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because of some floating/variable loan interest rates. The Group is primarily exposed to interest rate risk from its borrowings.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

<i>In BDT</i>	2020	2019
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,225,907,186	2,146,447,925
Other fixed rate instruments (assets)	-	-
Financial assets	2,225,907,186	2,146,447,925
Financial liabilities		
Fixed rate bank overdraft	-	-
Fixed rate loans	25,682,777	37,150,985
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Financial liabilities	25,682,777	37,150,985
Variable rate instruments		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Financial liabilities		
Variable rate bank overdraft	2,008,486,125	1,961,093,776
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	308,169,540	274,205,948
Financial liabilities	2,316,655,665	2,235,299,724

32.1.3.2 Cash flow sensitivity analysis for variable rate instruments 2020

A change of 100 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2020 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Other variable rate liabilities	(3,081,695)	3,081,695	(3,081,695)	3,081,695
Cash flow sensitivity	(3,081,695)	3,081,695	(3,081,695)	3,081,695

Singer Bangladesh Limited
Notes to the financial statements (continued)

32.1.3.3 Cash flow sensitivity analysis for variable rate instruments 2019

A change of 200 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2019 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2019				
Other variable rate liabilities	(5,484,119)	5,484,119	(5,484,119)	5,484,119
Cash flow sensitivity	(5,484,119)	5,484,119	(5,484,119)	5,484,119

32.1.3.4 Foreign Currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. Other non recurring exposures consist of payable to IFS authority due to developing the ERP system of the Group and payable to Shanghai Sonlu Shanging Enterprise Group Co. Ltd. due to supply of capital machinery of the company.

As at 31 December, the Group was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

<i>In USD</i>	2020	2019
Accounts payable trade	5,816,544	6,771,881

<i>In EUR</i>	2020	2019
Accounts payable trade	-	10,275

The following significant exchange rates are applied during the year:

<i>In BDT</i>	2020	2019
US Dollar	84.98	85.75
EURO	0.00	96.40

32.1.3.5 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and the possibility that the profit or loss and the equity would have increased/(decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Expenditures denominated in USD	(4,942,608)	4,942,608	(4,942,608)	4,942,608
Exchange rate sensitivity	(4,942,608)	4,942,608	(4,942,608)	4,942,608

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2019				
Expenditures denominated in USD	(29,083,967)	29,083,967	(29,083,967)	29,083,967
Exchange rate sensitivity	(29,083,967)	29,083,967	(29,083,967)	29,083,967



32.2 Financial risk management-company

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk (note 32.2.1)
- Liquidity risk (note 32.2.2)
- Market risk (note 32.2.3)

32.2.1 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from direct customers, dealers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The home appliance products are sold under hire purchase agreements and the sale of cables is under the ordinary credit terms.

The maximum exposure to credit risk (note 32.2.1.1) is represented by the carrying amount of each financial asset in the statement of financial position.

32.2.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In BDT</i>	2020	2019
Loans and receivables	2,538,977,929	2,513,546,473
Deposits	23,092,797	23,160,298
Cash and cash equivalents	178,148,480	180,580,885
	2,740,219,206	2,717,287,656

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

<i>In BDT</i>	2020	2019
Domestic	2,538,977,929	2,513,546,473

The maximum exposure to credit risk for loans and receivables at the reporting date by type of counterparty was:

<i>In BDT</i>	2020	2019
Retail customers	2,153,043,022	2,100,606,310
Wholesale customers	194,167,502	202,133,534
Others	191,767,405	210,806,629
	2,538,977,929	2,513,546,473

32.2.1.2 Impairment loss

Trade receivable is assessed at each reporting date of statement of financial position to determine whether there is any objective evidence that it is impaired. Trade receivable is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be reliably estimated.

The ageing buckets (in days) of receivables at the reporting date was:

<i>In BDT</i>	Gross 2020	Impairment 2020
0 to 30	2,423,838,060	2,085,853
31 to 60	54,681,686	725,041
61 to 180	120,020,120	9,678,536
181 to 360	112,712,755	46,702,740
> 360	42,147,573	42,147,573
	2,753,400,194	101,339,742

<i>In BDT</i>	Gross 2019	Impairment 2019
Not past due	1,861,826,518	2,646,706
Past due 1-30 days	384,347,078	2,317,934
Past due 31-120 days	134,411,514	15,827,864
Past due 121-365 days	44,376,314	53,158,479
More than one year	11,620,044	10,437,285
	2,436,581,468	84,388,268

The movement in the allowance for impairment in respect of receivables during the year was as follows:

<i>In BDT</i>	2020	2019
Opening balance	84,388,268	55,358,342
Allowance recognised for the year	85,838,216	58,994,317
Allowance written off for the year	170,226,484	114,352,659
Closing balance	(28,081,093)	(29,964,391)
	142,145,391	84,388,268

Expected credit loss (ECL) assessment

There is no single specific method of measuring the expected credit loss prescribed in IFRS 9. The Company follows "simplified approach" of measuring the expected credit loss prescribed in IFRS 9. Lifetime expected credit loss, for the outstanding trade receivables at the reporting date, has been calculated considering the business model of the Company. IFRS 9 permits using a few practical expedients and one of them is a provision matrix which is a calculation of the impairment loss based on the default rate percentage applied to the group of financial assets. Two important factors under loss rate approach are- finding out historical default/loss rate and forward looking information.

The Company's policy is to give 60-180 credit days for the repayment of receivables. Calculation of the impairment loss on trade receivables at reporting date includes the below sequential steps:

- Step 1: Analyze the collection of receivables and find out the unpaid amount within each ageing bucket
- Step 2: Calculate the historical loss rates for each ageing bucket
- Step 3: Incorporate forward-looking information to find out adjusted loss rate for each ageing bucket
- Step 4: Apply the adjusted loss rates to the current trade receivables portfolio to find out the ECL amount

Historical loss amount has been calculated considering their ageing buckets when write-off was allowed. The historical loss rate has been calculated in the following way:

Loss rate in an ageing bucket = Loss amount of that bucket / Unpaid amount of that bucket.

After incorporating forward looking information adjusted loss rate has been calculated as below:

Adjusted loss rate in an ageing bucket = Adjusted loss amount in that bucket / Unpaid amount in that bucket.

Due to COVID-19 pandemic, collections have been slowed down during the nation wide lockdown period and showing signs of improvement after that (i.e. during the 3rd and 4th quarter of the year). Despite the improvement of collections, owing to COVID-19 pandemic, the unemployment rate has increased and economic activities have been affected with evidence of starting slow recovery. These have triggered the risks of increased default losses and the Company assumes the loss can be increased by 20% (from its historical loss rate), because of the reasons explained above.

The following tables provide information about the exposure to credit risk and ECLs for trade receivables for both current and previous reporting period.

<i>In BDT</i>	For the year ended 31 December 2020		
	Amounts outstanding	Adjusted loss rate	Expected credit loss
Ageing bucket (days)			
0 to 30	2,423,838,060	0.1%	2,085,853
31 to 60	54,681,686	1.3%	725,041
61 to 180	120,020,120	8.1%	9,678,536
181 to 360	112,712,755	41.4%	46,702,740
> 360	42,147,573	100.0%	42,147,573
Total	2,753,400,194		101,339,742

The ECL method is applied prospectively from current year.

32.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast prepared based on the basis of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.



Singer Bangladesh Limited
Notes to the financial statements (continued)

The followings are the contractual maturities of financial liabilities, including estimated interest payments:

<i>In BDT</i>	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 December 2020							
Non-derivative financial liabilities:							
Bank overdrafts/Short-term loan	1,611,518,744	1,648,269,333	1,011,161,129	637,108,205	-	-	-
Trade and other payables	1,904,755,423	1,904,755,423	1,760,672,943	144,082,480	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,516,274,167	3,553,024,756	2,771,834,072	781,190,685	-	-	-
As at 31 December 2019							
Non-derivative financial liabilities:							
Bank overdraft	1,746,861,938	1,806,002,381	1,118,101,747	687,900,634	-	-	-
Trade and other payables	1,882,191,451	1,882,191,451	1,711,625,916	170,565,535	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	3,629,053,389	3,688,193,832	2,829,727,663	858,466,169	-	-	-

32.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company is exposed to normal business risks from changes in market interest rates and currency rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative business.

32.2.3.1 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because of some floating/variable loan interest rates. The Company is primarily exposed to interest rate risk from its borrowings.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

<i>In BDT</i>	2020	2019
Fixed rate instruments		
Fixed rate deposits at financial institution	-	-
Fixed rate loans and receivable (net hire receivable)	2,225,907,186	2,146,447,925
Other fixed rate instruments (assets)	-	-
Financial assets	2,225,907,186	2,146,447,925
Financial liabilities		
Fixed rate bank overdraft	-	-
Fixed rate loans	-	-
Fixed rate debentures	-	-
Fixed rate promissory notes	-	-
Lease liabilities	-	-
Other fixed rate liabilities	-	-
Financial liabilities	-	-
Variable rate instruments		
Variable rate deposits at financial institution	-	-
Variable rate loans and receivable	-	-
Other variable rate instruments (assets)	-	-
Financial assets	-	-
Variable rate bank overdraft	1,611,518,744	1,746,861,938
Variable rate loans	-	-
Variable rate debentures	-	-
Variable rate promissory notes	-	-
Other variable rate liabilities	308,169,540	274,205,948
Financial liabilities	1,919,688,284	2,021,067,886



Singer Bangladesh Limited
Notes to the financial statements (continued)

32.2.3.2 Cash flow sensitivity analysis for variable rate instruments 2020

A change of 100 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2020 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Other variable rate liabilities	(3,081,695)	3,081,695	(3,081,695)	3,081,695
Cash flow sensitivity	(3,081,695)	3,081,695	(3,081,695)	3,081,695

32.2.3.3 Cash flow sensitivity analysis for variable rate instruments 2019

A change of 200 basis points in interest rates for other variable rate liabilities which comprise the security deposit from employees and shop managers, in 2019 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>In BDT</i>	Profit or loss		Equity	
	200 bp increase	200 bp decrease	200 bp increase	200 bp decrease
31 December 2019				
Other variable rate liabilities	(5,484,119)	5,484,119	(5,484,119)	5,484,119
Cash flow sensitivity	(5,484,119)	5,484,119	(5,484,119)	5,484,119

32.2.3.4 Foreign Currency risk

The Company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. Other non recurring exposures consist of payable to IFS authority due to developing the ERP system of the company.

As at 31 December, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

<i>In USD</i>	2020	2019
Accounts payable trade	3,347,549	4,498,615
<i>In EUR</i>	2020	2019
Accounts payable trade	-	10,275

The following significant exchange rates are applied during the year:

<i>In BDT</i>	2020	2019
US Dollar	84.95	85.75
EURO	0.00	96.40

32.2.3.5 Foreign exchange rate sensitivity analysis for foreign currency expenditures

Foreign exchange rate sensitivity is calculated on the basis of impact of change of 100 basis points in foreign exchange rates. This analysis presents the probable weakening of BDT against US Dollar and the possibility that the profit or loss and the equity would have increased/(decreased) assuming all other variables, in particular interest rates remain constant. As per current practice, foreign exchange rate sensitivity analysis is done once at the end of the year. Result of the assessment is summarised below.

<i>In BDT</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2020				
Expenditures denominated in USD	(2,843,743)	2,843,743	(2,843,743)	2,843,743
Exchange rate sensitivity	(2,843,743)	2,843,743	(2,843,743)	2,843,743

<i>In BDT</i>	Profit or loss		Equity	
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
31 December 2019				
Expenditures denominated in USD	(19,337,340)	19,337,340	(19,337,340)	19,337,340
Exchange rate sensitivity	(19,337,340)	19,337,340	(19,337,340)	19,337,340

33 Determination of fair value

33.1 Determination of fair value-consolidated

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of all financial assets and liabilities is taken to approximate the carrying value.



Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Assets carried at fair value				
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Loans and receivables	2,477,596,446	2,355,519,601	2,471,880,052	2,331,925,740
Cash and cash equivalents	179,916,718	179,916,718	181,712,093	181,712,093
	2,657,513,164	2,535,436,319	2,653,592,145	2,513,637,833
Liabilities carried at fair value				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Liabilities carried at amortised cost				
Secured bank loans	-	-	-	-
Trade and other payables	2,215,027,864	N/A*	2,359,566,621	N/A*
Bank overdraft	2,008,486,125	2,008,486,125	1,961,093,776	1,961,093,776
	4,223,513,989	2,008,486,125	4,320,660,397	1,961,093,776

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2020		2019	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

*Determination of fair value is not required as per the requirements of IFRS 7: *Financial Instruments: Disclosures* (ref: Paragraph 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

33.2 Determination of fair value-company

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of all financial assets and liabilities is taken to approximate the carrying value.

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Assets carried at fair value				
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Assets carried at amortised cost				
Loans and receivables	2,538,977,929	2,355,519,601	2,513,546,473	2,331,925,740
Cash and cash equivalents	178,148,480	178,148,480	180,580,885	180,580,885
	2,717,126,409	2,533,668,081	2,694,127,358	2,512,506,624

Singer Bangladesh Limited
Notes to the financial statements (continued)

<i>In BDT</i>	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
Liabilities carried at fair value				
Interest rate swaps used for hedges	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Liabilities carried at amortised cost				
Secured bank loans	-	-	-	-
Trade and other payables	1,904,755,423	N/A*	1,854,856,834	N/A*
Bank overdraft	1,611,518,744	1,611,518,744	1,746,861,938	1,746,861,938
	3,516,274,167	1,611,518,744	3,601,718,772	1,746,861,938

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2020		2019	
	From %	To %	From %	To %
Derivatives	-	-	-	-
Receivable under hire purchase	-	-	-	-
Loans and borrowings	-	-	-	-
Finance lease liabilities	-	-	-	-

*Determination of fair value is not required as per the requirements of IFRS 7: *Financial Instruments: Disclosures* (ref. Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

34 Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing the Company's internal capital adequacy to ensure the company's operation as a going concern. The Board of directors is charged with the ultimate responsibility for maintaining a strong capital base so as to maintain confidence of stakeholders and to sustain future development of the business. All major investment and operational decisions with exposure above certain amount are evaluated and approved by the board. The Board of directors also monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of directors also determines the level of dividends to ordinary shareholders.



Singer Bangladesh Limited

Notes to the financial statements (continued)

35 Related parties

Related party transactions are disclosed in compliance with IAS-24 "Related Party Disclosures". The name of the related parties, the nature of the transactions and their balance at year end have been set out below:

35.1 Parent and ultimate controlling party

Singer Bangladesh Limited (the Company) is a direct subsidiary of Retail Holdings Bhold B.V., The Netherlands (formerly Singer Bhold B.V., The Netherlands) since 2003, which holds 57% of the total shares issued.

Retail Holdings Asia B.V. was the Parent (i.e. owner of 100% shares) of Retail Holdings Bhold B.V., The Netherlands, up to March 2019 as it sold its 100% holdings to Ardutch B.V., The Netherlands which is a direct subsidiary of Arçelik A.Ş.

35.2 Transactions with key management personnel

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors (executive and non-executive).

a) Short-term employee benefit

In BDT	Consolidated		Company	
	2020	2019	2020	2019
Remuneration	25,725,755	21,930,134	25,725,755	21,930,134
Housing	1,051,512	1,990,362	1,051,512	1,990,362
Medical and welfare	1,604,824	2,885,206	1,604,824	2,885,206
Board meeting fees	337,425	310,100	284,625	264,500
	28,719,516	27,115,802	28,666,716	27,070,202
b) Post employment benefit	-	-	-	-
c) Other long-term benefit	-	-	-	-
d) Termination benefit	-	-	-	-
e) Share-based payment	-	-	-	-
	28,719,516	27,115,802	28,666,716	27,070,202

35.3 Other related party transactions

Read this note in conjunction with note no. 22.4.

In BDT	Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
				2020	2019	2020	2019
	Arcelik A.S.	Ultimate parent	Procurement of products	69,282,825	-	69,282,825	41,353,694
	BEKO Electrical Appliances Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	-	-	-	3,491,578
	BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Procurement of products	199,750,888	-	199,750,888	145,612,400
	Defy Appliances (pvt) Ltd	Subsidiary of ultimate parent	Procurement of products	17,669,252	-	17,669,252	-
	Dawlance (Private) Limited	Subsidiary of ultimate parent	Procurement of products	2,914,726	-	2,914,726	-
	Retail Holdings Asia B.V.	Subsidiary of former ultimate parent	Royalty payment	166,701,032	135,234,086	145,239,505	119,174,918
	International Appliances Limited	Subsidiary of Singer	Procurement of products	-	-	2,652,172,729	2,553,539,671
	International Appliances Limited	Subsidiary of Singer	Current account	-	-	17,130,477	103,617,402



Singer Bangladesh Limited

Notes to the financial statements (continued)

35.3.1 Related party receivable/(payable)

<i>In BDT</i>	Name of related parties	Relationship	Nature of transaction	Consolidated		Company	
				2020	2019	2020	2019
	Arcelik A.S.	Ultimate parent	Payable for inventory	-	-	-	(990,519)
	Arcelik A.S.	Ultimate parent	Other payable	(6,168,987)	-	(6,168,987)	(661,050)
	Arcelik A.S.	Ultimate parent	Other receivable	-	2,515,043	-	2,515,043
	BEKO Thai Co. Ltd.	Subsidiary of ultimate parent	Payable for inventory	-	-	-	-
	Retail Holdings Asia B.V.	Subsidiary of former ultimate parent	Royalty payable Current account	(37,301,049)	(204,002,080)	(30,547,822)	(175,787,327)
	Retail Holdings Bhold B.V., The Netherlands	Parent company	Royalty payable Current account	(334,608,077)	(161,353,422)	(284,100,193)	(140,017,713)
	Retail Holdings Bhold B.V., The Netherlands	Parent company	Current account	2,158,465	-	2,158,465	2,158,465
	International Appliances Limited	Subsidiary of Singer	Procurement of products	-	-	(240,680,360)	(113,412,705)
	International Appliances Limited	Subsidiary of Singer	Current account	-	-	59,127,375	41,996,871

36 Net asset value (NAV) per share

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Total assets	10,424,395,142	10,331,678,691	9,912,765,611	9,806,371,505
Total liability	(7,215,121,007)	(7,139,603,617)	(6,456,837,290)	(6,388,877,463)
Net assets value	3,209,274,135	3,192,075,074	3,455,928,321	3,417,494,042
Number of shares used to compute NAV	99,702,838	99,702,838	99,702,838	99,702,838
Net asset value (NAV) per share	32.19	32.02	34.66	34.28



37 Reconciliation of net income with cashflows from operating activities

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Net income	782,388,315	1,031,799,553	803,623,532	1,034,574,115
Add/(deduct) for noncash items:				
Depreciation & amortization	393,179,676	363,170,381	320,137,642	293,500,229
(Gain) / loss on sale of property, plant and equipment	5,897,693	2,886,203	5,897,693	2,886,203
Deferred tax expenses/(income)	51,337,615	-	36,357,545	-
Tax expenses	309,724,855	438,572,792	308,648,431	396,536,039
Finance expenses/(Income)	443,854,985	403,631,459	392,030,488	340,233,543
Changes in:				
(Increase)/Decrease in deposits and prepayments	6,704,312	301,483,049	67,500	302,647,381
(Increase)/Decrease in inventories	(34,264,664)	(501,064,128)	(104,452,573)	(448,879,356)
(Increase)/Decrease in trade and other receivables	(5,716,394)	(246,744,016)	(25,431,456)	(170,092,205)
(Increase)/Decrease in Advances, deposits and prepayments	19,490,741	(389,614,649)	5,783,159	(271,616,000)
Increase/(Decrease) in current tax assets	-	-	-	-
Increase/(Decrease) in retirement benefits obligation	-	-	-	-
Increase/(Decrease) in other liability (except non remittable account)	90,650,011	128,415,647	99,681,953	35,587,008
Increase/(Decrease) in accounts payables (excluding dividend payable)	(144,538,757)	734,162,515	49,898,589	163,232,094
Tax paid	(491,705,375)	(439,657,737)	(401,148,596)	(345,710,200)
Interest paid	(521,721,873)	(474,774,584)	(469,502,976)	(420,277,522)
Increase/(Decrease) in short term liability	-	2,746,368	-	-
	122,892,826	323,213,300	217,967,399	(121,952,786)
Net cash flows from operation activities	905,281,141	1,355,012,853	1,021,590,931	912,621,329

37.1 Net operating cash flow per share (NOCFPS)

<i>In BDT</i>	Consolidated		Company	
	2020	2019	2020	2019
Net cash from operating activities	905,281,141	1,355,012,853	1,021,590,931	912,621,329
Number of ordinary shares outstanding	99,702,838	99,702,838	99,702,838	99,702,838
Net operating cash flow per share (NOCFPS)	9.08	13.59	10.25	9.15

38 Events after the reporting period

- a. The Board of Directors of the Company has recommended 30% (Tk. 3 per share of Tk. 10 each) cash dividend in its 250th board meeting held on 25 January 2021.

39 Others

- a. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- b. Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- c. Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.
- d. The proposed scheme of amalgamation of Singer Bangladesh Limited and its fully owned subsidiary, International Appliances Limited, has been placed before the Honorable High Court Division of the Supreme Court of Bangladesh for its necessary approval of the scheme. At the end of the reporting period the said scheme of amalgamation has been waiting for the hearing at the High Court.

Singer Bangladesh Limited
Notes to the financial statements (continued)

39.1 Basis of measurement

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention as modified to include the revaluation of land and building under property, plant and equipment, initial recognition of financial instruments at fair value and the gratuity scheme which was measured based on actuarial valuation.

39.2 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- b) Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- c) Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

40 Significant accounting policies

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

- A. Revenue
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments
- I. Impairment
- J. Provisions
- K. Royalty
- L. Warranty costs
- M. Investments
- N. Workers' profit participation fund
- O. Employee benefit
- P. Reporting period
- Q. Earnings per share
- R. Segment reporting
- S. Statement of cash flows
- T. Events after the reporting period
- U. Offsetting
- V. Basis of consolidation
- W. Leases



Singer Bangladesh Limited
Notes to the financial statements (continued)

A. Revenue from contracts with customers

Type of product / service

Consumer electronics and household appliances.

Nature and timing of satisfaction of performance obligations

Customers obtain control of products at point of delivery or over time. Invoices are generated at fair value of the consideration received or receivable, net of returns and allowances and trade discounts at the time of delivery of goods. Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

Revenue recognition

Revenue is recognized when (or as) control of goods is transferred to customer. Control may be transferred either at a point in time or over time. First, the entity assesses whether it transfers control over time by following the prescribed criteria for satisfying performance obligation. If none of the criteria for recognizing revenue over time is met, then the entity recognizes revenue at the point in time at which it transfers control of the goods to the customer.

Performance obligation is satisfied when the control of the goods is transferred, rather than just the risk and reward.

B. Finance income and finance costs

Finance expenses comprise interest expense on term loan, overdraft, and bank charges. Interest income from fixed deposit and from saving or current account is net off with finance expenses. All finance expenses are recognised in the profit and loss statement. Finance expenses also include interest expense on lease liabilities.

C. Foreign currency transactions

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with IAS-21 "*The Effects of Changes in Foreign Exchange Rates*." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/ charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.



D. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income (profit and loss statement).

Current tax

The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 25%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2020.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

E. Inventories

Inventories are measured at lower of cost and net realisable value, after making due allowances for obsolete and inventory in excess of 6-12 month sales. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The Company assesses the NRV by giving consideration to future demand and condition of the inventory and make adjustments to the value by making required provisions. Inventories consist of raw materials, work-in-process, goods in transit and finished goods. The Group uses weighted average cost model in valuing its inventory.

F. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated in attached statement of financial position are measured at cost/fair value less accumulated depreciation and any accumulated impairment losses in accordance with IAS-16 "*Property Plant and Equipment*". Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

If significant parts of an item of property, plant & equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment. Any gain or loss on disposal of an item of property, plant & equipment is recognised in profit or loss.

Cost model

The Company applies cost model to property, plant & equipment except for land and buildings.

Singer Bangladesh Limited
Notes to the financial statements (continued)

Revaluation model

The company applies revaluation model to entire class of freehold land and buildings. A revaluation is carried out when there is a substantial difference between the fair value and the carrying amount of the property and is undertaken by professionally qualified valuers. The company reviews its assets when deemed appropriate considering reasonable interval of years/time.

Increase in the carrying amount on revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

Decrease in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognised in profit and loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day maintenance of property, plant and equipment are recognised in the profit and loss account as incurred.

Depreciation

Depreciation is calculated over the depreciable amount. Depreciation is recognised in profit and loss on a reducing balance method in case of SBL and straight line basis in case of IAL over each part of an item of property, plant & equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset. A change in the depreciation method is a change in a technique used to apply the entity's accounting policy to recognise depreciation as an asset's future economic benefits are consumed. Therefore it is deemed to be a change in an accounting estimate.

Land is not depreciated. Depreciation is charged on property plant and equipment from the month of acquisition and no depreciation is charged in the month of disposal.

Depreciation is charged at the rates varying from 2.5% to 25% depending on the estimated useful lives of assets. No depreciation is charged for work-in-progress.

The rates of depreciation of the Company, applied on reducing balance method, for the current period and comparative years are as follows:

Building - Office	10%
Building - Factory	20%
Leasehold improvements	10%
Plant and machinery	20%
Vehicles	20%
Furniture and fixtures	10%
Equipment and tools	20%



Singer Bangladesh Limited
Notes to the financial statements (continued)

The rates of depreciation of the subsidiary, applied on straight line basis, for the current period and comparative years are as follows:

Building - Office	2.50%
Building - Factory	2.50%
Leasehold improvements	12.50%
Plant and machinery	8.33%
Vehicles	14%
Furniture and fixtures	10%
Equipment and tools	8.33%
Computer	25%

G. Intangibles

An intangible asset is recognised if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 - 'Intangible Assets'. Intangible assets with finite useful lives are measured at cost, less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands are recognised in profit or loss as incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in profit and loss on a straight-line basis over the estimated useful lives, from the date they are available-for-use.

The estimated useful lives of intangible assets with finite lives are as follows:

<u>Intangible assets</u>	<u>The Company</u>
Computer Software	20%

<u>Intangible assets</u>	<u>Subsidiary</u>
Computer Software (Useful life)	10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Singer Bangladesh Limited
Notes to the financial statements (continued)

Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc. Accordingly, provision for doubtful debts is made over the amount outstanding from customers, dealers and other debtors. For receivables from customers, dealers and other debtors, provision for doubtful debts is made after analysing the recoverability of the amount from the concerned parties based on analysis of delinquency, arrearage and past due. The provision for doubtful debts is written off when it is proved that the debts are not recoverable at all.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

Accounts receivables

Accounts receivable is initially recognised at nominal value which is the fair value of the consideration given in return. Accounts receivable represents the amounts due from customers of hire sale, credit sale and also includes receivable from employees and others, net of provision for doubtful debts and unearned carrying charges.

Allowances for accounts receivables are calculated applying the rates under ECL method for different ageing buckets (in days) for the current year are as follows:

Ageing bucket (days)	Consolidated	Company
0 to 30	0.1%	0.1%
31 to 60	1.3%	1.3%
61 to 180	8.1%	8.1%
181 to 360	41.4%	41.4%
> 360	100.0%	100.0%

Allowances for accounts receivables are calculated applying the rates, based on the ageing of hire receivables from customers for the comparative years, are as follows:

Not past due	Nil
Past due 1-30 days	50%
Past due 31-120 days	100%
Past due 121-365 days	100%
More than one year	100%

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and cash in transit. It also includes fixed deposit with bank maturity of which is not more than three months. There is no significant risk of change in value of the same.



Singer Bangladesh Limited
Notes to the financial statements (continued)

Financial liability

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include finance lease obligations, loans and borrowings, accounts payable and other payables.

Accounts payables

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

I. Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each date of Statement of Financial Position. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

J. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with IAS 37- "*Provisions, Contingent Liabilities and Contingent Assets*". The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

K. Royalty

Royalty is payable to Retail Holdings Bhold B.V. @ 3.75% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator assembled and manufactured in Bangladesh for the year 2020 (note 22.1 & 22.2).

Royalty is payable to Retail Holdings Asia B.V. (up to March 2019) and Retail Holdings Bhold B.V. (from April-December 2019) @ 3.75% of net annual invoice price of sale of audio-video sets (radio cassette, recorders and televisions), air conditioner and furniture and International Appliances Limited @ 1.1% on refrigerator assembled and manufactured in Bangladesh for the year 2019 (note 22.1 & 22.2).

The Company is authorised to use the name "SINGER" as part of its corporate name.

L. Warranty costs

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.



Singer Bangladesh Limited
Notes to the financial statements (continued)

M. Investments

Investment in Central Depository Bangladesh Limited (CDBL)

Investment in CDBL is recorded at cost and represents insignificant holding.

Investment in term deposit

This represents investment in term deposit with Commercial Bank of Ceylon PLC which is renewable.

Investment in short term deposit

Investment in short term deposit represents fixed deposit with maturity of three months and over.

N. Workers' profit participation fund

The Company provides 5% of its net profit as a contribution to workers' profit participation fund before tax and charges such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2018).

O. Employee benefit

The Company maintains both defined contribution plan (provident fund) and a retirement benefit obligation (gratuity fund) for its eligible permanent employees.

Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

Retirement benefit obligation (gratuity)

The Company operates a funded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables are used.

Short-term employee benefits

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Accordingly, necessary provision is made for the amount of annual leave encashment based on the latest basic salary. This benefit is applicable for employees as per service rules.



Singer Bangladesh Limited
Notes to the financial statements (continued)

P. Reporting period

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2020.

Q. Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reserve split.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

R. Segment reporting

Segment reporting is not applicable for the Company this year as the Company does not meet the criteria required for segment reporting specified in IFRS 8: "Operating Segments". The details are described on *note no. 2.5*.

S. Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

T. Events after the reporting period

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 38.

U. Offsetting

The Group reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

V. Basis of consolidation

The Group account for business combination using the acquisition method when control is transferred to the Group (see V (i)). The consideration transferred in the acquisition are generally measured at fair value, as are the identifiable net asset acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(i) Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affects those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.



Singer Bangladesh Limited
Notes to the financial statements (continued)

(ii) Non-controlling interests

Non-controlling Interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

W. Leases

The Group has initially applied IFRS 16 from 1 January 2019.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i. As a lessee

The Group recognises a right-of-use asset and a lease liability (for its retail stores / showrooms, warehouses, service centers, factories and other offices facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



Singer Bangladesh Limited
Notes to the financial statements (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Currently the Group has no such short-term lease or lease of low value asset. The Group will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

ii. As a lessor

There is no such lease for which the Group is a lessor.



Singer Bangladesh Limited**Details of disposal of property, plant and equipment (Annexure - 1)**

For the year ended 31 December 2020						
Particulars	Original cost	Accumulated depreciation	Net book value	Sales proceed	Gain/(Loss)	Mode of disposal
Plant & machinery	25,581,421	18,667,193	6,914,228	4,208,000	(2,706,228)	Adjustment/sold
Computer	6,317,164	5,659,815	657,349	20,345	(637,004)	
Equipment	3,238,864	2,676,047	562,817	49,745	(513,073)	Adjustment/sold
Furniture	228,450	123,613	104,837	-	(104,837)	Adjustment/sold
Leasehold improvements	8,849,106	4,575,407	4,273,699	1,505,500	(2,768,199)	Adjustment/sold
Vehicles	3,450,000	3,153,647	296,353	1,128,000	831,647	Auction sale
	47,665,005	34,855,723	12,809,282	6,911,590	(5,897,693)	



Singer Bangladesh Limited
Details of share issue (Annexure - 2)

Date of Issue	Basis of Issue of Shares	Total Share & Share Capital		
		No. of Shares Issued	No. of Shares after Bonus	Share Capital Taka 10 each
1983	2567 ordinary shares of Taka 10 each issued for cash	25,670	25,670	256,700
1983	10,258 ordinary shares of Taka 10 each issued for consideration other than cash	102,580	102,580	1,025,800
Total ordinary shares issued		128,250	128,250	1,282,500
Bonus share				
18-04-85	100%	128,250	256,500	1,282,500
16-04-87	60%	153,900	410,400	1,539,000
16-08-89	100%	410,400	820,800	4,104,000
12-07-92	100%	820,800	1,641,600	8,208,000
12-07-93	100%	1,641,600	3,283,200	16,416,000
01-06-94	50%	1,641,600	4,924,800	16,416,000
28-05-95	50%	2,462,400	7,387,200	24,624,000
21-05-96	50%	3,693,600	11,080,800	36,936,000
16-04-97	50%	5,540,400	16,621,200	55,404,000
28-04-08	35%	5,817,420	22,438,620	58,174,200
27-04-11	75%	16,828,960	39,267,580	168,289,600
08-05-13	25%	9,816,895	49,084,475	98,168,950
28-04-14	25%	12,271,118	61,355,593	122,711,180
30-04-15	25%	15,338,898	76,694,491	153,388,980
23-04-19	30%	23,008,347	99,702,838	230,083,470
Total bonus shares issued		99,574,588		995,745,880
Total shares issued		99,702,838		997,028,380

